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Vault  
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IN THE MATTER OF The Public Inquiries Act  
being Chapter 258 of the Revised Statutes  
of Alberta, 1955; and

IN THE MATTER OF an Inquiry into the ad-  
ministration, management and financial  
affairs of the Lethbridge Central Feeder's  
Association Limited, and the general  
operation in respect to the participation  
of the members therein.

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P R O C E E D I N G S

at a Hearing held before

HIS HONOUR JUDGE L. SHERMAN TURCOTTE

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VOLUME VIII

DATE January 7th and 8th

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64L21

v.8 c.2



vol. VIII c.2



PERMANENT TRUST ACCOUNT FOR and 1912

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PROCEEDINGS TAKEN JANUARY 7th, 1965

MR. WEIR: Mr. Sorenson, please.

ANDREW SORENSON, having first been duly sworn, examined by Mr. Weir, testified as follows:

MR. PALMER: Your Honour, in view of possible future litigation, we ask for the protection of the Canada and Alberta Evidence Acts.

THE COURT: Very well. The protection of the Canada Evidence Act and the Alberta Evidence Act will be granted to Mr. Sorenson.

You are acting for him?

MR. PALMER: Yes, Your Honour.

MR. WEIR:

Q Your name is A. Sorenson?

A Yes.

Q And what does A. stand for?

A Andrew.

Q Andrew, and you are from Raymond, Mr. Sorenson?

A Raymond.

Q And this is where your farm is located?

A Yes.

Q How large is your farm?

A 160 acres.

Q And how many acres are under cultivation?

A Well, I am buying another farm. There would be 320, but











A Well, I guess we irrigated most of it, but---

THE COURT: The water right is a different thing from the amount you irrigate, sometimes?

A Yes.

MR. WEIR:

Q Approximately how many acres are classified as irrigable?

A Well, I have 50 shares of waterright, if that would be better.

THE COURT: That's right. But your water does creep over onto the other land?

A Well, we can use it any place on the land. Some places it's not too level, we can't get it on, you see, but it doesn't matter where we irrigate, as long as we can irrigate, with what---

THE COURT: That's fine.

MR. WEIR:

Q Can you recall, Mr. Sorenson, when you joined the Association, the Lethbridge Central Feeders Association?

A No, no, but it's many years ago.

THE COURT:

Q Be in the 40's, or the 50's?

A Well, it would be---

Q Were you in in the foot and mouth?

A Yes.

Q You were in in the foot and mouth disease?

A Yes.



Q Well, would it be before that, then?

A It would be in the 40's.

MR. WEIR:

Q I am showing you a contract, dated April the 2nd, 1963, in your name, and it indicates that the authorized credit is \$30,000.00.

A Well, I guess that, whenever we signed these, they weren't made up, but I imagine that---

Q Well, you recognize this contract, do you not?

A It is a signed contract, it looks the same, and it looks like my signature. I would say yes.

Q Thank you. Have you seen these ledger cards before?

A Well, I have asked, sometimes, but I have never went in and looked at them.

Q You have just asked about figures that were on it?

A Yes.

Q But you never went in to look at it?

A No, I have never looked at it.

Q Now, Mr. Sorenson, I am particularly interested in a transaction that I understood took place, and I am not certain of the time, but I understand there were some Association cattle in your possession, and you sold them to one of your neighbors, and this was not arranged through the Association. Am I correct in this?

A No.

Q I am not?





A No sir.

Q Well---

A I sold the cattle, maybe I'd have to explain. I have owned cattle all my life.

Q Yes.

A See, for 50 years, and any cattle that was bought through the Feeders, cows and like that, have been paid for, before, and there was some, there is one original cow in there, it was with what cows I had, that was bought through the Association in 58, but she was paid for, and I have been out of debt since then, but that was the only one.

Now, I branded these cows with the Association brand, I was going to the reserve with Mr. Hatch, and Hatch didn't ask me to brand the cattle or anything, and he didn't want two brands, like my brand is U Bar S, on the right ribs, and I figured to go with Mr. Hatch with these cattle, and he didn't want two brands up there, so I branded everything that I had, but they weren't Association cattle. There is one cow that was bought through the Association years ago, in 58, but the other cattle had nothing to do with the Association.

THE COURT:

Q What do you mean by going to the reserve with Mr. Hatch?

A That was for grass, grassing the cattle on the reserve. Mr. Hatch made arrangements that we could put cattle on





the reserve for so much---

Q That is the Association cattle that you had for feeding?

A Yes. I went with cattle, to the Association with cattle that they bought for me.

Q Yes.

A But not with my own cattle.

Q And you didn't put any of your own cattle on the reserve?

A No.

Q I see.

A But I figured on taking these cows and calves, Mr. Hatch was going to take some cows and calves, and we was going to put them together, but then I didn't take any cows and calves, just steers and heifers that was bought through the Association. If it's clear---

Q Well, when you speak of Mr. Hatch taking cattle, what do you mean by that?

A Well, he come and told us, you see, that we could run cattle on the reserve, that is, for the summer.

Q Yes.

A For so much a head, a month.

Q Well, the way you answered the question would lead a person to believe that he was taking some cattle up there to feed---

A No, no, they were cattle that was bought through the Association, but I didn't take all my own cattle, the cows I had were cows and calves, but I didn't take any



cows and calves, but I figured on going with cows and calves in the first place, but I didn't go with him. That's the reason that I branded them before we went. We didn't take no cows and calves.

MR. WEIR:

Well, I wonder if you realize the incident that I am referring to.

THE COURT. Perhaps you should read from the minutes of September the 9th, 1964. I have a copy of them.

MR. WEIR:

Now, this is a report that appears in the minutes. I am not reading directly from the minutes, but some notes typed up from the minutes of September the 9th, 1964. Now, this is a report by the supervisor, Mr. Hatch---

A Yes.

Q To the Board of Directors, and it is concerning your account. It says, Stu Hatch reported that Andy Sorenson had 10 cows branded with the cleaver. This would be the cleaver brand of the Association?

A That would be the cows.

Q He sold 18 of last year's calves not branded?

A That's right.

Q To Ross Nelson, or Nielson.

A That's right, that's correct.

Q Now, Ross Nielson is your neighbor?



A Yes.

Q 10 of which were from cleaver cows?

A Well, there wouldn't be 10, but some of them would come from the cleaver cows, yes.

Q But there were some of them---

A There were some of them, yes, that came from the cleaver cows.

Q Yes. And then there is another notation here, suggested that Sorenson should be asked for a mortgage on his land or an action will be started for selling the calves.

Now, do you recall conversations that you had with Mr. Hatch concerning this particular transaction?

A No.

Q You don't?

A No.

Q But you recall the incident, though?

A Yes.

Q The incident of this happening, do you not?

A You mean the---

Q Some of these calves being sold to Ross Nielson?

A Oh, yes. I sold Ross Nielson 18 calves.

Q Yes, and some of which were from---

A Some of them were from---

Q The cows.

A The cows, but they weren't Association cows. I want that clear.





Q Well, this is the impression that I get from reading the minutes.

A Yes.

Q You say none of these cows, or none of these calves came from certain--- Maybe I better start over again.

A No, some of the calves were from the cows, if that's what you're---

Q That's what I am getting at.

A Some of the calves would come from those cows.

Q So then that this report of Mr. Hatch's to the Board is more or less correct, except your doubting the number of 10 here, I believe, is that correct?

A But Mr. Hatch never asked me for anything like that. He didn't ask me about 10 cows, or anything.

Q No. But you recall this happening, do you not?

A Yes, I do.

THE COURT:

Q How would he know about it?

A Well, Stu was there when we branded the cattle.

Q No, no, but the selling of them, how would he know---

A Well, I don't know how he would know. Whether, I had no idea, I don't think now, that those cattle was never associated, I have always sold cattle with U Bar S. In the same year, the last cattle I sold, if you go back to the brands, I think you will find at least 11 head of U Bar S steers that went through, that could have been,



that were my own cattle, that went in through there.

MR. WEIR:

Q Well, Mr. Sorenson, the only part of this transaction that we are concerned about---

A Yes.

Q Is the part which relates to your selling---

A Sure.

Q Cattle which belonged to the Association, to Ross Nielson.

A Yes, but I say they didn't belong to the Association.

Q Well, you have just admitted that some of these calves were from cows---

A Yes.

Q That were from the Association.

A Well, there was only, these were my own cattle, in the first place. There was one cow in there that had a, that was originally bought through the Association.

Q So this would only be one calf, then, as far as you are concerned?

A One calf, that would be all that would be, that came from Frank Nelson, in 58. He has his brand on them. The other cows was never branded with any brand. They weren't their own cows, they weren't, they didn't belong to the Association. I was never asked for them.

Q So then, if there is any question, at all, about this transaction, there is just one---

A There would be one, yes.





Q One calf that would be in question?

A That could be in question.

Q Yes. Well, why didn't you sell this one through the Association? Your contract says that you are to sell them through the Association, in fact, you really didn't own that calf. It was owned by the Association?

A The cow is still there. If you buy cows 10 years, if you buy cows, say in 58, and they are paid for, don't you own them? If you can show---

Q Well, you have just admitted though that one of the calves in question was from one of the cows---

A Yes.

Q That was owned by the Association. You didn't---

A Well, the cow was paid for years ago. This cow was paid for years ago, in 1958.

Q Well, he said last year, so I presume he is talking about 1963.

A Yes. Well, I still own the cow there, what I mean, but she was bought through the Association. She was bought from Frank Nelson in 1958.

Q Well, throughout the whole of 1963 you owed money to the Association, did you not?

A Yes, yes.

Q So that at the time that this transaction happened you did owe money to the Association?

A Yes.



Q Can you give us the exact date when this incident in question took place? Can you recall when, in 1963---

A No, no, I can't give you that exact day.

Q In fact, even in 1962 your balance was over \$40,000.00 was it not? In fact, in one particular date here, in your ledger card, as you see here, on March 29th, 1962, the balance is now over \$50,000.00.

A I think you will find one, I have got my, what do you call it, that I went and got from the Feeders.

Q Yes.

A You see, and I think you will find one right under that.

Q Oh, yes. I am not saying there isn't one under it.

A Yes, yes.

Q There is a credit underneath it of \$6,000.00, approximately, but your account---

A Well, there should be one of 20 something there.

Q Well, maybe later on, but you see this ledger card here---

A Yes.

Q And you see that I am reading correctly, and---

A Well, I know you are right, but ---

Q It is \$50,673.05, you see?

A I wasn't borrowing that much money, I never even, but---

Q No one ever complained to you about your account going over it's authorized limit?

A No. In fact, when the Central Feeders changed banks the manager from the Royal Bank, what was his name, at that





time?

Q Mr. Campbell.

THE COURT: Mr. Campbell.

THE WITNESS: Mr. Campbell, came to my farm, at least five times, told me if I'd like to stay with the Royal Bank he would give me credit anytime for \$40,000.00.

THE COURT: Well, that was in 60, 1960?

THE WITNESS: That would be in 60, yes.

THE COURT:

Q In May of 1960.

A That may have been in 60.

Q Yes. Well, you only owed, your account had got as low as \$5,000.00 then?

A Yes.

Q In 1960.

A But the Royal Bank had handled our account---

Q That's right.

A Before, Mr. Turcotte.

Q They had no reason to doubt your ability, and the correctness of your account in 1960?

A No.

Q They were very good, weren't they? I mean, you had a reasonable balance.

A Mr. Turcotte, I think that I am charged with cattle here that I have never had in my corral. Of course I will have to, I am not prepared to make a statement, but I think I am



charged several times.

Q We are not worried about the amount of cattle you were charged with, we are worried about the amount of money you got.

A Yes, but then---

Q If you didn't get the cattle you weren't entitled to as much money as you got.

A No. But maybe I didn't get, I figure I am charged with cattle I never got.

Q Well, suppose you were charged with cattle that you didn't get.

A Yes sir.

Q Then, were you entitled to draw as much money as you did? You see, in 1962 you drew \$24,000.00.

A Yes.

Q Well now, if you had less cattle than was showing on the books here, you shouldn't have, you drew too much anyway, but you shouldn't have drawn as much again, should you?

A Well, I'd always go in and talk to Mr. Hatch, and he said everything was okay.

Q Well---

A He said that the cattle would work out. I didn't have an idea, in the last cattle that was sold, but what the cattle would come out alright. Hatch told me, if I'd had any idea and thought I was going to be crooked and had reserves in there I would have went and drawn them out. If I had





had any idea that this situation was like it is I would have quit before.

I didn't go to them for cattle, they came to me. 60 and 62, I guess, it would be 60 and 62, I think the last cattle I bought was in 62. Stu came down with this reserve proposition to go out, buy the cattle and keep them over a year, you see. I wintered these calves, you understand, and put them on the grass, and then fed them off that following year, you see. And if you will, in these last cattle, they were on a self feeder for right close to nine months, and they wouldn't sell them, which is, at least, four or five months too long, that the cattle were ready, but they wouldn't sell them.

I was in, I don't know why they wouldn't sell them. Some of these cattle got up, you can look, some of these cattle got up to 1700 pounds, on self feeders.

Q When was that, Mr. Sorenson?

A That would be the cattle that went out in 63. I think they went to the new packing plant.

Q Canada Dressed Meats?

A Canada Dressed Meats, I guess.

Q Well, there is---

A They went in---

MR. WEIR: Here is your ledger card.

A They went in the feedlot on the 2nd of October. That's when we brought them from the reserve.



THE COURT:

Q What year?

A 60--- It would be 62. They were sold in 63 wasn't it?

Q There are no purchases, whatever, in 62, in the fall.

MR. PROWSE: No, he had them on the reserve,  
I think he said.

THE WITNESS: I had them on the reserve for  
the summer. I bought them and kept them in the corral for  
the winter, when they were calves.

THE COURT:

Q I know, but when did you buy them? The ones that weren't  
equipped with feeders.

A When was they sold? It would be about the year before. It  
will tell you when they were--- They were sold in 63,  
wasn't it?

MR. PROWSE: June of 63.

THE WITNESS: June, 63?

MR. PROWSE: Yes.

THE COURT:

Q You sold 119 head?

A Yes.

Q On the 12th of June, 1963?

A Yes. And they would be bought in 62, then, wouldn't they,  
and the church calves, the calves that---

Q Wait a minute now, let's just keep with those. And I can  
find no charge---



A They would have to---

Q Wait a minute. No charge against you for purchases of cattle no later than March the 22nd, 1962.

A Well, I'd winter them in 62, went on the reserve in May of 1962, with those cattle, brought them home in the fall of 1962, it would be, wouldn't it?

Q I don't know.

A It has to. Well, they was on, in the corral for nine months after they was on the reserve, part of these cattle was on a self feeder, and anybody knows that I am as good a feeder as there is in the country, and 100 days is plenty for cattle to be left in a feedlot. Cattle should never get up to 1700 pounds.

Q Did they all get there?

A No, not all of them, but they got awful big, awful fat. We lost some of the cattle over fat, you know, which anybody does.

MR. WEIR:

Q You didn't sell them privately, because you were having difficulty selling them through the Association?

A Oh, no. No, I never sold the cattle privately.

Q That's the Association cattle I am talking about.

A No sir, no sir.

THE COURT:

Q Well, those cattle averaged \$268.00 a piece, after all deductions?





A Yes. The Packers will have the weights of those cattle.

Q Well, we have the weights, but we didn't draw your account.

A No, I brought, you see, there was a few Holsteins that went in there. I think one of them was 13, and one 1500, and they weren't as good a cattle as I took in to them. I told Stu these Holsteins would never get any fatter. So I took them in to the packers, turned them to the Lethbridge Central Feeders.

MR. WEIR:

Q Do you acknowledge having received advances in 1961 which totalled \$19,276.83?

A Well, I imagine that---

Q These are the itemized amounts here?

A I couldn't only, I imagine that these would be correct. I think they would have to be.

Q And you have already acknowledged, in questions by Judge Turcotte, concerning your advances in 1962, in the sum of approximately \$24,000.00?

A Yes sir.

Q And in 1963, of approximately \$17,000.00, representing these cheques in 1963?

A Yes. I think the cheques would have to be right.

Q Didn't you, at any point, feel that some of these advances were driving your account up a little too high, at all?

A Yes. We bought feed with them. I have every cheque that I have ever wrote.



Q Yes.

A All the money was placed in the Bank of Montreal. I have every cheque that I have ever wrote.

Q I have no further questions, Your Honour.

A And it was explained to Mr. Hatch, whenever we wanted anything we would go in and ask Mr. Hatch about the deal.

Q Did Mr. Hatch ever turn you down for any request for an advance?

A No sir. No sir.

Q I have no further questions, Your Honour.

MR. MOSCOVICH: No questions.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q How many cattle have you now out of the Association?

A That belong to the Association?

Q Yes.

A One. But I had, I guess 10 cows, or 11 cows with the Association brand, that I explained how I branded, but there is one original cow there from, that the Association paid for in 1958.

Q Well, how is that one branded? Is that---

A She is branded with a cleaver 7.

Q And are any---

A Same as the others, just the same as the others. Cleaver 7 was given to me for my brand, same as any member had a, used to be just a cleaver, and then later, why, I guess there was so many, we had numbers, where the cattle would



get, where they would be running in where they could get mixed, so we had a number, everybody had a, like, the cleaver, and mine was a 7.

Q Yes, that's all, then.

THE COURT: Mr. Palmer?

MR. PALMER: No questions.

THE COURT: Well, Mr. Sorenson, on the 31st of October 1960, your account stood at 5,200 some odd dollars.

THE WITNESS: Yes.

THE COURT.

Q Today it stands , with no cattle on hand, at \$21,000.00. Now, in the course of--- And the Association hasn't been in business, now, for nearly a year.

A Yes.

Q So that, in the course of a little over four years you have gone in debt to the Association for around \$16,000.00. Now, the interest of this inquiry is, was that debt caused by you lowing on your feeding operations, or by you drawing too much money?

A Yes.

Q Now, that's the simple question.

A I had cattle, you see, the money that I would draw, I would pay for feed, or anything, I used all my own---

Q For your own cattle?

A No, I only had the 10 head of cattle there then, but anything that I have had the years before, like, U Bar S, I let them





all go, it didn't make any difference what brand, as long as you owed money, I didn't---

Q Alright. Now then---

A And I never was in trouble until now.

Q Fine. Well, I think a lot of people---

A I went in through the hoof and mouth, and that, and I carried cattle for two years. Well, I had to find pasture for two years, and I lost, I think, \$15,000.00, besides carrying those cattle, and come out alright, and I was never in trouble before.

Q Well, the whole point is, you see, we have 170 feeders.

A Yes sir.

Q And we have about 150 of them that got into no trouble.

A Yes.

Q I mean, not very much, so far as the Association is concerned.

A Yes.

Q We don't know how much money they lost, themselves.

A Yes.

Q But here you are, and about 10 other people, now, you are not very big, only \$21,000.00, but the total runs up to a tremendous amount of money.

A Yes sir.

Q And I am to try and find out why that happened.

A Yes, yes.

Q Now, what was the cause of your increase of \$16,000.00



indebtedness in four years?

A I think feeding cattle too long, going on the reserve, losing cattle. It wasn't---

Q Well now, how many cattle did you lose? Of the---

A You mean on the reserve?

Q No, no, of the Association cattle?

A Well, all of the cattle that went to the reserve were Association cattle.

Q Yes.

A In two years there, I would dare say that I lost 12 to 15, maybe more, 16 head or so. We was never allowed to go and look for them.

Q You lost 16 head?

A Yes, that we never got. I had the same brand that Mr. Hatch had. I sold him 37 head of heifers, I am credited with 35, which I---

Q Well, what do you mean by that, now? You sold---

A Well, these cattle there on the reserve had the same brand as the cattle that I sold to Hatch. I don't think he got, but we was never allowed to go and check our cattle, to go and see what, and if your cattle, if anybody found one, there was one steer found from Blackmore, I was credited for \$140.00 from a fellow by the name of Blackmore, but what I mean, we lost too many cattle, too. Them cattle was all---

Q Well, 16 head would probably be 3, \$4,000.00?



A Yes.

Q Now, what else---

A Now, the balance, I would say, feed, is the only thing that I can say. I have cheques for everything that I ever done.

Q Well now, you took this money, say you got \$5,000.00 in the first few days, I think, of 1962. Let's see where it is here. On the 2nd of January you got \$5,000.00?

A Yes.

Q And then three days later you got another \$2,000.00. Now, it is a little difficult for me, sitting here, to understand why you would come in on the 2nd of January and get \$5,000.00, and then come back three days later and find yourself \$2,000.00 short.

A Mr. Turcotte, I think, maybe I can explain that. I think that I put in \$2,000.00 before, that would be an income, for income tax, and took out maybe five on the 2nd.

Q Oh, I see.

A I think if you will look there you will see, it shows on my---

Q You did, you put in \$2,000.00 on December the 27th, and you took it out on January 5th.

A Yes.

Q Or you took out \$7,000.00 on January 5th?

A Seven?

Q Well, you took out five on the 2nd, and two on the 5th,





7,000 together, in the three days. Well now, if you had \$2,000.00 to play around with for the purposes of averaging your income tax, why in the world did you have to come in and get another 5,000?

A Well, I think that I would borrow that money, the 2,000 from the bank, if you get me.

Q Well, that's too high finance for me, I am afraid.

A No, it isn't---

Q You borrow \$2,000.00 from the bank to reduce your income---

A Well, I didn't know what I might, you know, but we figured, you know, it's got to be paid in time, I filed every year. It will show every---

Q Oh, yes, over the five years you will have to average it.

A We weren't in very good shape, so, I think I done that three times, feed, in my dealings.

Q Yes.

A And that would be what it was---

Q But again, you say you think you borrowed the money, then, from the bank, to pay the Feeders 2,000---

A Yes.

Q To increase your liabilities.

A Yes.

Q And then on the 2nd of January you got it back, and I suppose you paid the bank back, did you?

A Certainly.

Q Well now---



A I paid them back what I got of them.

Q All this money went into the bank account?

A Yes sir.

Q And did you just have the one bank account?

A Yes sir.

Q And out of that bank account came your feed?

A My feed.

Q Your living?

A My living.

Q Your farm machinery, or whatever---

A Whatever I had to have.

Q You bought? Your taxes?

A My taxes.

Q Water rights?

A Water.

Q Everything else?

A They haven't been paid, the last few---

Q Pardon?

A My water hasn't been paid the last few years, either. My taxes are not in good standing.

Q But the point is that you didn't keep any separate account?

A No sir.

Q For this feed, and for the money that you were getting from the Association?

A No sir.

Q Well, I think that's where you got into trouble. Do you



keep books?

A No. All I'd do is go out to the Feeders at the end of the year, like, when you are making income tax. They were telling me how much money I drew out, and I'd take it to my income tax man, and all my cheques, I'd take all cheques.

Q And what happened in 1962?

A In 62?

Q Yes.

A I'd have to look to tell you, Mr.---

Q You don't remember having trouble trying to figure out an income tax statement in 1962, with this \$24,000.00 in advances?

A I'd have to look---

Q Well, I don't want---

A I could go and tell you, I've got every one, I've got every cheque I ever wrote, back to the 40's, and what it is for.

Q That's all. No further questions. Thank you, Mr. Sorenson.

A Thank you.

Q We are still hoping to find someone who keeps records, ins and outs of expenses. We haven't, yet.

(WITNESS STANDS DOWN)

MR. WEIR:

Mr. W. A. Anderson.

WILLIAM A. ANDERSON, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q Your name is William A. Anderson?





A Yes sir.

Q And you are from Raymond, Alberta?

A Raymond, Alberta.

Q And your farm is located at Raymond?

A Raymond.

Q How many acres have you on your farm, Mr. Anderson?

A 560 acres, that is within two or three acres.

Q That's fine. And approximately how many acres would be under cultivation?

A Less 30 acres.

Q Of the total?

A I have 530 acres under cultivation. 80 acres irrigated, 480 dryland, and 30 acres of the dryland is not under cultivation.

Q Now, when did you join the Lethbridge Central Feeders Association, Mr. Anderson?

A I haven't checked that closely, but it would be, I have been a member for approximately, I would say, 20 years.

Q Yes.

A I was a member of the Red Label Feeders before that time, for a short time.

Q Do you recognize these ledger cards of the Association, Anderson, W.A., Raymond?

A Well, I have looked at them occasionally when I have checked with the Association, yes.

Q I see you brought in a small briefcase.



MR. MOSCOVICH: It's his lunch.

MR. WEIR:

Q Do you have records of your own in connection with the transactions involving you and the Association?

A Well, yes. I keep records. Possibly not detailed, but I keep records so that I know what I am doing, as far as my association with the Lethbridge Central Feeders, yes.

Q Well, you, apparently, you are the man that we have been looking for, for quite some time.

A Well, I may be in the wrong place.

Q But you had a pretty fair idea as to what was happening, as far as your profit or loss in your dealings with the Association?

A Yes, yes, I did. I would have.

Q Now, in just taking a very quick look at your account, Mr. Anderson, I see that the present balance is approximately \$19,000--- \$17,000.00. And---

THE COURT: April the 14th, 1960, it started in at \$6,205.00. It starts a little down, at the low.

MR. WEIR: April of what year, 1960?

MR. MOSCOVICH: 1960.

THE COURT: April the 14th, 1960.

MR. WEIR: Yes.

Q On that particular date, as Judge Turcotte has just indicated, you see in your ledger card, April 14th, 1960, they balanced it at \$6,205.26. Is that correct?



A Well, I couldn't verify it, but I would assume it could be right, yes.

Q Well, don't disappoint us, now, you just told us you kept pretty good figures here.

A Well, I haven't all the figures in mind, and I haven't gone back as far as, very many years back on what records I have with me. I could verify it, yes.

Q Well, the point that I am trying to bring out is that since that date it seemed to grow progressively. In fact, you seem to have lost quite a bit of money from your dealings with the Association.

A Yes, I have. I have lost, in the last few years I have lost in my feeding operations, yes.

Q Now, I know that you still owe the Lethbridge Central Feeders Association a reasonably good amount of money, even at the present time. November of last year, November 20th, \$17,454.20, but you lost, I presume, from just a cursory glance at your ledger card, considerably more money again, is that not correct? Or am I wrong?

A No, I had lost on several of my feeding operations, especially in the last two or three years, yes.

Q Now, there are some periods here when I notice that you didn't seem to be drawing, or feeding, too much money paid for feed. Did you grow a lot of the feed, yourself, for your cattle?

A My program was, ordinarily, to raise, plant most of my land





into barley, very little wheat, and I raised part of my feed, and it was according to how big a feeding program I was in as to how much feed I would require.

Q But you were attempting to grow as much as you could, yourself?

A As much as I could, I did, yes. And I didn't sell barley, I would use that for my feeding operations.

Q Would you attribute most of your losses, then, to, simply, bad luck, falling cattle prices?

A Yes, I do.

Q I notice that in a special meeting called, a general meeting called on March the 28th of this year, Mr. Anderson, that you made a motion that was seconded by Garry Foote, and this motion was to move a vote of confidence in the Board, the office staff, and the supervisor of the Lethbridge Central Feeders Association, and you suggested in your motion that plans be made to carry on the Association, is that correct?

A That's right.

Q So then, as far as you were concerned, you were quite satisfied with the way that the Board operated, and the office staff operated, under the supervisor, and the activity of the supervisor, at least on that date?

A At that date, yes.

Q Have you subsequently changed your opinion, at all?

A I guess, naturally, a lot of us have changed our opinion, yes. In other words, I couldn't conscientiously place that



motion today, no, but I was, that was my exact feelings then, and I conscientiously passed that motion the way I felt, put it before the house, and apparently it passed, I think the records stated there was one dissenting vote, so, apparently the membership of the Association felt as I did on that date, of March the 28th.

Q In other words, some of the statements that were made at that meeting, concerning some possible irregularities, I presume, then, you felt that there must be some satisfactory explanation for these?

A I did. Definitely, I did. Yes.

Q I have no further questions, Your Honour.

MR. MOSCOVICH: May I ask one or two questions?

THE COURT: Yes.

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q Mr. Anderson, there is no question that the records kept of your account were, to the best of your knowledge, correct and honest?

A Yes, as far as I know, yes.

Q There was no question in your mind that the losses suffered by you, which amounted to about, a considerable number of thousand of dollars, was due to the fact that the market for cattle had dropped?

A I bought at the wrong time, possibly, and sold at the wrong time---

Q Yes.



A In order to make the---

Q And many other members and non-members of the Association, who were involved with the Central Feeders, suffered a similar fate?

A Yes.

Q That's all.

THE COURT:

Q Mr. Anderson, I don't know whether these figures mean much, perhaps you could tell me. I have just ran, taken off your ins and outs, and your advances, and from 1960 to the time that you sold, in the last of them, in the spring of 1964, I have counted approximately 871 animals in and out of your account, in which you drew advances of \$28,600.00, which would be \$33.00 a head. Now, the difference between \$17,000 and \$6,000 is \$11,000, which would be \$12.62 a head loss on each head of cattle that you fed, so far as the Association is concerned. So the actual increase per head that I, in my head, or the arithmetic that I have used, is that after the payment of interest and supplies and so forth, the actual increase only came to \$20.00 a head, which is a pretty terrible figure, isn't it?

A It is, yes.

Q How do your figures compare with that?

A That would be about in line with what I have, yes.

Q Have you any figures there?

A Well, just on the amount that I purchased feed during the





years from 60 to 63, and the amount that I received from the Association in those years.

Q Yes.

A I haven't the figures previous to that.

Q Well, that's the figures I have, from 60 to 63.

A In 1960 I received from the Association \$10,500.00. I purchased in feed that year of \$4,350.24.

Q Yes.

A In 1961 I received from the Association \$13,500.00, and I purchased \$8,232.85 in feed.

Q Yes.

A In 1962 I received from the Association \$3100.00. I purchased \$770.80 in feed.

Q Now, what happened that year? You had, according to my figures, 232 cattle in, and 250 cattle out.

A It happened to be a year where I grew more feed, and I didn't require as much feed.

Q You didn't have to draw?

A I didn't have to draw as much, no.

Q Because you practically drew nothing, 31--

A Yes, that was

Q Yes.

A And in 1963 I received from the Association \$9,300.00, and I purchased \$1,371.30 in feed.

Q 1300--

A \$1,371.30.





Q Yes. Well now, for example, in 1963 what would you do with the other \$8,000.00?

A Well, that was used in operational expenses. Like I have mentioned, **p**ractically all of my land was growing barley.

Q Yes.

A In other words, my returns had to come from the cattle for my operation, and the balance of that would be used in that.

Q Did you have any, did you take any cattle on contract?

A No.

Q During the term?

A Not on contract, no.

Q Not on contract. Did you realize that you were in trouble two or three years ago?

A No, I didn't. I knew I was pressed for breaking even, yes, as far as that, but I actually wasn't in the problem where I felt I couldn't meet it.

Q See, that's the trouble, I think, with this operation, and with everyone that we have heard from, is that they didn't, the fact that they were in trouble wasn't brought home to them because they could always come in and get a cheque from the Association, which looked very nice at the time, but which apparently has been very disastrous with quite a few people. What do you think?

A Well, I think it has. I didn't feel that I was overdrawing of what I felt I would be able to meet from the returns from the cattle at any time. I watched my account in that



way, I was periodically watching my account. I also, at the end of the year I would ask for an itemized statement from the Association so that I could check, have a yearly check for my income tax purposes, and then I'd check during the year, as well. So, I felt I was checking quite closely with my record with the Association.

Q That is all. Thank you very much, Mr. Anderson.

A I might just add, I think I should, on my account, just to verify that I have some cattle on hand. That \$17,000.00 referred to isn't a total loss. I have on hand at the present time 55 cattle and calves. There is 50 head in the feedlot at the present time, there is five other younger calves, and there is also 12 cows to the credit of my account. So, as I have talked to Mr. MacLean, the banker, after this happened last spring, and also again this fall, I talked about my account with him and when that feeding is, that is, when the cattle are sold that are on feed, I told him then, as far as I was concerned, I didn't expect the Association to pay any of my losses. I expected to meet that in full myself.

Q Yes.

A And I would want the members of the Association to feel the same, and he has intimated to me that he felt that I would be able to make arrangements with him, or they with me, according to what loss there is, if there is a deficit at the end of the selling.



Q Well, the 55, well, you may be back to where you were at the start. You may be about the \$6,000.00.

A Yes, it would be within that. You see, I was forced, that is, I say forced, when this crash came in the spring, I sold my cattle unfinished last spring, which was a decided loss to me, but I didn't feel like holding them on because we didn't know which way we were going, and I knew that my account was a little on the short side, so I sold my cattle unfinished, which amounted to several thousand dollars loss to me, last spring. That was after the crash came.

Q Well, I would think that quite a few people would lose as a result of having to sell?

A Oh, yes, yes.

Q Well, thank you very much, Mr. Anderson, you have been most helpful.

A Thank you.

(WITNESS STANDS DOWN)

MR. WEIR: Wayne Smith.

WAYNE SMITH, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q Your name is Wayne Smith?

A Yes.

Q And you are from Hillspring?

A Yes.

Q When did you join the Lethbridge Central Feeders Association,







Mr. Smith?

A I am not right sure. It's been since the 40's---

THE COURT:

Q Well, were you there before 1958?

A I don't think so, not very much.

Q August the 18th, according to the minutes, your membership was approved. Would that be right?

A That sounds, yes, about right.

MR. WEIR:

Q Your farm is located, then, at Hillspring?

A Yes.

Q Would you tell us a little bit about your farm? How many acres have you got on your farm?

A Well, I have 320 acres of my own, and I rent about another 900.

Q And how many acres of the total are under cultivation?

A I planted 1220 acres last year. About 55 acres that wasn't planted, it was grass land.

Q And how many acres under irrigation, or how many acres classified as irrigable?

A On my own place there is about 250 of the 320, and there is a half section that I rent that I think would be about the same as that, about 250.

Q Have you seen these ledger cards before, in your name?

A Yes, I have checked that several times.

Q You have. Are you satisfied with the accuracy of the



ledger cards?

A Yes, I am satisfied. I have checked them fairly close.

Q And I see that you also have some documents. Have you used those documents that you hold in your hands, here? I presume those are your own records, are they?

A No, these are the, when I was subpoenaed I was asked to bring any correspondence that I had with the Association. That is what I have here.

Q I see.

A I have my own records, but I didn't bring those with me.

Q I see. But you made some records, yourself, to check the accuracy of what was going on in the Association involving you?

A Yes. I filed income tax for the 20 years I have been farming, and each year I have gone in and had a copy of them---

Q Yes, I am very pleased, Mr. Smith. It is refreshing to have you, as well, as a witness, to tell us that you were checking accurately as to what was going on in the Association involving your indebtedness.

Now, Mr. Smith, I see that in 1962 there are some entries involving some sows?

A That's right. Yes.

Q Now, would you tell us how this particular series of transactions here, involving you with the Association, in connection with some sows, and then later, one boar, here,



I notice in December the 20th, 1962, how it all came about?

THE COURT:

Q The reason we ask you is, I think you are the only person in the Association that the Association financed in the hog business. We can't find any others.

A Yes.

Q We are just interested in that.

A My business on the farm has been mainly with raising grain and hogs, and I have had quite a lot of trouble with disease, and so in 1962 I decided to clean up all our pigs, sell them all and start over again, and because of the trouble we had had it made us fairly short of money, and so when we had decided to make this move we could see that in selling out our hogs we would need to pay our obligations, and this would take about all the hogs we had to do it, especially in selling them quite quickly. Decided to go into the S.P.F. type of hog, and so I made application to Mr. Hatch in the spring of 1960 to borrow about \$14,000.00 to get a new set of sows, and he went to the Board and had this approved, and we sold all our hogs that year, in July, during the month of July, and were out of hogs for three months until the latter part of October, when we started to buy sows.

This was on a six month program. We bought one-sixth of the sows each month, for six months. They cost \$175.00 apiece, being S.P.F.





Q What is S.P.F.?

A They are free of certain diseases. They are free of virus pneumonia, and rhinotus.

Q Are they certified by somebody?

A The Provincial Veterinarians Branch in Edmonton has them certified, yes. I have a certified herd now.

You have to be on the program for a little over a year before they certify. They test 16% of your hogs to see that you're disease free.

MR. WEIR:

Q And I notice, then, Mr. Smith, that regularly hogs are coming in through the Association and the amounts are credited to your account. I take it that the plan was to reduce the balance that was in your account before these series of transactions started?

In other words, even before the first entry that I notice, of any sows coming in, namely, August 21st, 1962, there was a balance in your account at that time of approximately \$9,000.00.

A Yes. I had been feeding cattle a little before that, just as a sideline.

Q Yes, and it was hoped that this hog venture would wipe out the account, I presume, was it?

A Yes.

Q Yes. Now, what was the arrangement involving the hogs that you would sell through the Association?





A They were to take \$5.00 a head to put back in the account to pay off this, my account, and this has been done, too.

Q And the remainder was---

A The remainder they turned back to me each month to operate on, to pay expenses.

Q I see.

THE COURT:

Q What would a hog sell for, approximately?

A About \$35.00.

Q \$35.00. Then, did you have an arrangement with Ellison Mills, to pay them so much?

A Yes. I arranged to pay them so much. It varied, it started out, I think, at \$3.00 a hog, because I had some of my own feed in them, already. This was for concentrate, and that was to keep their account in a satisfactory condition to them. It varied from 3 to \$7.00.

Q And that was done each month, was it?

A That was done each month, yes.

Q Did the Association pay Ellison Mills?

A Yes.

Q They were paying them.

MR. WEIR:

Q Now then, this arrangement, I notice, kept up quite faithfully, and then all of a sudden it stopped. What happened?

A Mr. Hatch said that because of difficulty he wasn't able



to operate it any more, with the bank, any money that came into the Association would have to be left there.

That is, if I sold a month's hogs, turned all the money to the Association, they would just keep it, there would be nothing turned back. They did that, I think, for part of a month, there was \$1,000.00, or something like that, taken off.

Q So then, you stopped making more payments through, or what?

A I stopped making payments, and told the Board that I would make it up, and keep track, which I have done, kept track of it, and it hasn't been made up yet, but I resumed the payments in November.

Q Yes. I see, November 23rd, of \$500.00?

A Yes, and there was another one made the last of December, too, and we intend to keep that up, as well as catch up on the---

Q November 23rd, 1964, the balance stood at \$14,128.93?

A Yes, that's right. There has been 500 paid in December, since then.

THE COURT: Any questions, gentlemen?

Well, thank you very much, Mr. Smith. We were just interested in that particular transaction. We will adjourn for fifteen minutes.

(ADJOURNED AT 11 A.M. TO 11:25 A.M.)

MR. WEIR: Mr. H. A. Jones, please.



HORACE A. JONES, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. H. A. Jones?

A Yes.

Q And you are from Picture Butte?

A Yes.

Q And your farm is located then at Picture Butte?

A Picture Butte.

Q How many acres do you have on your farm, Mr. Jones?

A Counting rented?

Q Yes. What you consider to be your farm holdings?

A Nearly four quarters.

Q And how many acres of those four quarters would be under cultivation?

A Do you call grass land, tame grass land, cultivation, or do you?

Q Well, I am thinking of what crops would you be planting, is what I am thinking of, and how many acres would you have in---

A Grain, likely.

Q Grain.

A Grain and beets. About 250.

Q About 250 acres?

A Yes.

Q And approximately how many acres would you have that would be declared irrigable?





A 150, or 60, and 40, be 200 acres.

Q And what crops would you have been planting for the past five years, let's say.

A Sugar beets, and wheat, and canning peas, sometimes---

Q Would you say that most of your crops were designed for feed for your cattle venture?

A No, no.

Q They weren't?

A No. The green peas don't amount to anything much for feed, and the wheat, we sell the wheat.

THE COURT:

Q Little bit of the sugar beet tops?

A Yes, the beet tops for feed.

MR. WEIR:

Q When did you join the Lethbridge Central Feeders Association, can you recall?

A It's away back in the 40's somewhere. About 25 years, maybe 30.

Q I show you a number of ledger cards of the Lethbridge Central Feeders Association with your name, H. A. Jones, Picture Butte, marked on them. Have you seen these before?

A Just at a distance, you know. Like, I'd go in and ask how the deal is coming, and they would tell me, they would go to these cards, or---

Q Approximately how many times a year would you go in to look at them? Now, these particular ones seem to go back to



1950, that I have here in front of you.

A Well, I guess I never went in just to see the card, maybe just go in, that is when I wanted, needed an advance, I'd go in, and then they would look at the card, and so on and so forth.

Q Well, would you look at your card from time to time? Say once a year, twice a year, six times a year, just to see how you were getting along?

A Oh, I'd say three times a year.

Q Approximately three times a year, and you would take a look at your account and see whether everything seemed to be in order?

A Well, they would look at it.

Q Well, if somebody else looked at it they would tell you what was on the ledger card?

A Yes.

Q Have you seen these other ledger cards, as well? Garry Jones, and H. A., have you seen this one before?

A I haven't seen them, no, I haven't seen them, just as I say, at a distance when the other fellow was looking at them---

Q You don't recall specifically seeing this one?

A No.

Q Well, did you know there was such a ledger card?

A Well, I suppose there would be, I knew that Garry Jones had gotten some money from the Feeders.



Q And here is another ledger card marked, H. A. Jones, Feed account. Do you remember this particular account?

A Well, not necessarily. I---

Q Some items from 1958, and I believe the last ones were in 1961---

A I didn't know they were put in that feed account.

THE COURT:

Q Was there any reason for opening such an account, that you knew of?

A No. I didn't know there was such a thing, no.

Q I see.

MR. WEIR:

Q And here is a very short card, ledger card, H. A. Jones and S. Kline. Did you have any knowledge of this particular card?

A What was it for?

Q Well, we can go into some of the items in a few minutes.

THE COURT: What years?

MR. WEIR: It moves from 1959, July the 31st appears to be the first entry, and the last one appears to be December 31st, 1961, I believe. Yes, 61.

A I fed cattle for Sam Kline, and---

Q So then, presumably, there would be a reason for it, or there wouldn't be?

A Oh, yes. It would be done through the Association. That is they would look after the books on it, you know.



Q Oh, I know, and this is their card, but it says H. A. Jones and Sam Kline, or S. Kline. I am just interested in knowing whether you were aware of this particular ledger card, and had seen it before?

A Well, I didn't know anything about it being a ledger card, I just knew that I was doing some feeding for Sam Kline, and it might have been on a pound basis.

Q Now, Mr. Jones, you have gone over the amounts of your advances, and your feed expenses in each year, with your accountant, I understand. Is this not correct?

A Yes.

Q And you figured out the total of your advances from the Association?

A Well, we haven't gone over them until this year, or in 64, with a---

Q Yes, but is it not a fact that you, through your accountant, have verified, at least, advances by the Lethbridge Central Feeders Association to you in the sum of \$35,000.00?

A Yes.

THE COURT: What year?

MR. WEIR: I am sorry, 1963.

THE WITNESS: Yes.

MR. WEIR:

Q And in the previous year, 1962, you have figured out that you have received advances, cash advances in the total sum of \$47,000.00?





A Yes. We checked all them too.

Q And in the year 1961, there is a notation in this memo that I prepared, that you received cash advances from the Association in 1961 in the total sum of \$43,000.00?

A I think those are the figures, you got the figures from my account?

Q Well, actually this is a memo that I prepared immediately after the visit---

A Yes.

Q That we had together. You and your accountant and myself.

A That is very likely right. My accountant has the figures.

Q Well, your accountant is in court today. Would you like to check with him now, before we proceed?

A Well, I don't think it matters to me, if you have that information, if you---

Q Well, as long as you are satisfied with these figures we will proceed. If you are not, then perhaps we should---

A Well, I believe they are right, very likely right.

Q Now, you estimated in the year 1963 you had feed and straw expenses of \$27,191.37?

A Yes.

Q And I also have a notation that year that you had some cattle expenditures through Stockmen's Agency of approximately \$10,000.00, the exact figure \$9,992.49, is that correct?

A In which year is that?



Q 1963.

A Yes.

Q Now, would you explain to us what this is? This is a cattle expenditure, is it? You bought some cattle through Stockmen's Agency, is this correct?

A Yes.

THE COURT: Who is Stockmen's Agency?

THE WITNESS: It's a little agency at Picture Butte there.

THE COURT:

Q Sort of a feeding organization---

A No, no, it's---

MR. WEIR:

Q A buying station?

A Kind of a buying, I don't know just who was in it, but Mr. Juris is the, I guess, the president of it, or whatever, and they will sell you cattle, and---

Q Did you pay for these cattle on time, or how did you arrange the financing of these A.F.---

A Well, they give you the cattle to, and pay when the cattle are sold.

Q I see.

THE COURT:

Q It's a sort of feeding arrangement too?

A Some, pretty much---

Q Same principle?



A As I understand it.

MR. WEIR:

Q Would you receive advances from them, at all?

A I don't think I did, no.

Q Now, what about the cattle that you obtained in 1963, through Stockmen's Agency? Would you have them branded with their brand?

A Yes, their brands.

Q How would you work--- With their brands?

A Yes.

Q Now, I notice in 1962 you also had some cattle expenditures through the same organization, Stockmen's Agency, and the total sum in that year, 1962, of \$5,872.67. Do you recall this?

A Yes.

Q And this would be the same arrangement?

A Yes.

Q You would pay for them over---

A When they are sold.

Q When they are sold.

A Yes.

Q And do you recall receiving any advances in 1962 from Stockmen's Agency?

A I don't think so. I don't think I got any advances from them.

Q You don't recall getting any advances, in any year, from





Stockmen's Agency?

A I don't think so.

Q And in the year 1962 you estimate that your feed and straw expenses would be \$28,311.62?

A Yes.

Q So that, in effect, in 1963 and 1962 the advances that you received from the Lethbridge Central Feeders Association were used to feed cattle that you obtained through the Lethbridge Central Feeders Association, as well as a certain number that you received through Stockmen's Agency?

A Yes.

Q Did anyone from the Lethbridge Central Feeders Association know that you were buying, or had purchased, or were planning to purchase cattle through Stockmen's Agency, or any other agency apart from the Lethbridge Central Feeders Association?

A I couldn't say whether they knew or not.

Q Well, do you recall discussing it with anyone?

A Oh, no---

Q Did you discuss it with Mr. Hatch?

A I don't think I did, I don't recall doing it.

Q Do you recall discussing it with any other employee of Lethbridge Central Feeders Association?

A No, but when the Central Feeders fellows been out there, I presume we likely talked about it then maybe, I wouldn't remember.



Q But you can't remember discussing it?

A No.

Q Now, these cattle, you say, were branded with Stockmen's Agency brand?

A Yes.

Q Now, do you recall anyone coming out to your farm from either the bank or the Lethbridge Central Feeders Association to check the brands during the years 1962 and 1963?

A I believe it was 62 or 63 that Mr. Williams, of the Wieler and Williams concern in Calgary, I think Mr. Hatch and he were out to my place, because Mr. Williams had been, had an interest in some cattle that the Feeders had taken from one of the Association members and brought them out to my place to finish, and I understood that those cattle belonged to Mr. Williams. He had come---

Q Of Wieler and Williams?

A Yes.

Q Yes.

A But there was about 70 or 80 head, and Mr. Williams seemed to be interested in them, but they didn't discuss the deal with me.

Q Well, I don't know whether you have been here for any of the previous testimony of the hearing, Mr. Jones, but we have been told that the bank and a representative of the Feeders Association would go out, and at least attempt to



see every one of the members of the Feeders Association, at least once a year, to count brands, and to check on the cattle, and so on, and that's what I am coming to. Do you recall any of these visits in 1962, or 63, if in effect there were any such visits, I don't recall if there were?

A There was one, the manager of the bank that were implicated in, he was out with, I think, Stu, last year.

Q Would this be Mr. MacLean?

A I suppose it was.

Q Mr. MacLean and Mr. Hatch?

A The manager.

Q Yes.

A Yes. He was out too, to check how many cattle I had lost, after this fuss---

THE COURT:

Q Well, that's after the blow-up?

A Blow-up, yes.

Q No, but---

MR. WEIR:

Q No, but before this?

THE COURT: Before this?

THE WITNESS: I don't recall a bank manager being out to my place.

MR. WEIR:

Q Well, anyone from the bank, or the Association, prior to



March the 17th, 1964, and back in 1963, and---

A I don't think anyone came out to count the cattle, but they have likely asked me, and I think they always believe what I said.

Q But if they had come out and counted them they would have seen that, at least a certain number of the cattle were branded with the Stockmen's Agency brand, in 1963 and 1962?

A Well, I have fed different cattle down through the years, different brands, different contracts, arrangements.

Q Did you feel that you were getting just enough money in the form of cash advances by the Lethbridge Central Feeders Association to cover your operation, or did you at any time feel that you had lots of money in your pocket?

A Well, I never went to the Association for money if I had any money in my pocket.

Q So these figures that we have referred to of cash advance in 1961, and 1962, and 1963, these cash advances that you received over the period of those three years, they were used solely for the operation of your cattle enterprise?

A Well, no, I wouldn't say that. I, as I understand it, myself, and I think it is the same with the other fellows, pretty much, that got advances from the Lethbridge Feeders, that we were all working in conjunction with the same idea, of making some money, someway, somehow, out of this cattle business.

Q Yes.





A And I put all the money I got out of the farm into the cattle business, but then the other fellows will say, well, the Feeders run my farm, and I say that the confounded farm run the, kept me living on the cattle.

Q Were you ever turned down by the supervisor, Mr. Hatch, for any request for cash advance?

A Not exactly turned down, but some of my requests were postponed for a while until I had sold some cattle, or something like that.

Q Did you have any cattle on your farm with your own brand?

A Not for years. I haven't used my brand now for, oh, maybe six years, something like that maybe.

Q So that, at least during the past six years, all of the cattle on your farm would have someone else's brand on them, other than yours?

A Yes.

Q And when you sold these cattle the proceeds would be accounted to the person in question, or organization in question that helped to finance this arrangement with you, is that correct?

A Yes, I believe that would be the way, that would happen.

Q Now, I believe that, at least on December the 3rd, 1964, this was the discussion that we had, that you will recall, at that time. You indicated to me that after examining the ledger cards, this is you, yourself, together with your accountant, you were satisfied that the amounts in the



accounts, with the exception of two items. I will refer to the two items to refresh your memory.

There was an item of July the 31st, 1959, and this involved \$9,000.00, and I believe that this had something to do with the Stienberg deal regarding the estimate that was made of the feed that was on hand at the time, and this was supposed to be your value, at least the value of the feed that you were supposed to have, and this was charged against you, this \$9,000.00?

A Yes.

Q And you didn't feel that you had any feed on hand when this Stienberg deal was concluded back, way back in 1957?

A I don't think I had any grain, but I had some hay.

Q Yes, but you, I believe you mentioned that, in your opinion this \$9,000.00 was not legitimately charged to your account?

A No.

Q And this was one area that you were disputing in your account?

A That, it was way up, compared to what it should have been.

Q By this \$9,000.00?

A Yes.

Q Yes. And there was one other area that you were concerned about, and that was involving a charge of \$6,000.00 that was put into your account, involving an Owen King transaction, at least Owen King's name is mentioned, between the periods of March the 19th, 1964, and July 31st, 1964, and in fact,



the only dispute you have is that you were charged interest on that \$6,000.00 during that period from March the 19th, 1964 to July the 31st, 1964?

THE COURT: I think it goes back, Mr. Weir, a little earlier than that, because that, Mr. Williams will correct me later on, if I am wrong, but that money was taken out of Mr. Jones account earlier than that, and put in Mr. Hatch's account, the Central Cattle Company account, I forget the date, but we heard about that yesterday.

MR. WEIR: Yes, yes.

THE COURT: So that would be the date on which Mr. Jones ceased to have the use of that money, so he would naturally object to interest after that date. Now, it's true that on the 19th of March Mr. Hatch took that \$6,000.00 out of Mr. Jones account again, having already taken it out, I don't know, a year or so before, but he took it out again in that famous transfer on the 19th of March, but I think Mr. Williams corrected the entry a little later on.

I am not sure about all these, but I think that's the---

THE WITNESS: I think so.

MR. WEIR: I am not disputing that, Your Honour, I am only referring to the conversation we had in December of 1964.

THE COURT: That's right.

MR. WEIR: December the 3rd, but this was the item that you were concerned about---







THE WITNESS: Yes.

MR. WEIR:

Q The interest on the \$6,000.00?

MR. MOSCOVICH: How much was it, Alec?

MR. WEIR: Well, you are a much better accountant than I am Mr. Moscovich, perhaps you can figure out the amount of interest.

MR. MOSCOVICH: Don't call me an accountant.

MR. WEIR:

Q Now, on March the 19th, 1964, at least when this \$6,000.00 blossomed forth in your account again, I am referring to a journal voucher, No. 517, under that date of March the 19th, and you will see a debit, H. A. Jones, in the amount of \$6,000.00, a credit to Owen King in the same amount. Now, this would appear to be the \$6,000.00 coming back into your account again.

I am not certain I understand all the ins and outs, as to where it started and how it gets back in, and going out again, but at least we can see that on this particular date, March the 19th, 1964, the \$6,000.00 reappears in your account again. You see this?

A Yes.

THE COURT: And it was taken out again on July the 31st?

A Yes.

THE COURT: Yes.



MR. WEIR:

Q Now, do you see a figure of exactly \$6,000.00 on March the 19th, 1964? I don't see a figure of 6,000 do you?

A No.

Q But yet, if we do a little arithmetic we see how we get where the \$6,000.00 reappears. On this same journal voucher that we have just referred to, journal voucher No. 517, there is another debit to your account, H. A. Jones, of \$42,743.01, and there is a credit to H. A. Jones, N.A.B., Non-Association Business ledger, one of those other ledgers that we have just looked at, in the same sum of \$42,743.01. Now, if you add that 42,000 some odd figure to the 6,000, that's where you see your total of \$48,743.01, which is debited to your account on March the 19th, and there is some writing in the details on your ledger card saying, "Transfer from N.A.B.", and on the top is written, although it doesn't look definitely as if it was written at the same time, although it could have been, a little mark, which could be, O., and then King.

A Oh.

Q You see this?

A Yes.

Q And then on the 31st of July of this year, at least of 1964, the \$6,000.00 is credited again to your account.

Now, Mr. Jones, did you have any knowledge, whatsoever, concerning these ins and outs in question, involving this



\$6,000.00, and perhaps higher figures earlier, but involving this transaction?

A No, I never knew anything about that.

THE COURT: Mr. Weir, I wonder if you would just go through this 6,000, to start with? Have you got the feed account?

MR. WEIR: Are you thinking of the original debit, Your Honour?

THE COURT: Yes, in July of 1958, Mr. Jones, J. 4, was credited with \$6600.00. I mean, I think before you leave that you should clear up this \$6600.00 entirely, and show where it got into his account, how it got out of his account, and how it got back into his account, and now it got out again.

MR. WEIR: Well, Your Honour, I got at least the last in and out again, and I---

THE COURT: That's right.

MR. WEIR: And that was around 12 o'clock when I got that straight in my mind. I am not too certain I can bring it all the way through in the earlier ones.

THE COURT: Well, have you got ledger account J. 4. One of those which starts with an \$8,658.00 item?

MR. WEIR: Yes, I have, Your Honour.

THE COURT: Alright. Now then, and notice the second item?

MR. WEIR: Yes. This is, as you see, Mr. Jones,



1959, it would appear to be July the, is that 2nd, or 22nd,  
Your Honour?

THE COURT: Well, I can't tell, now.

MR. WEIR: It looks like 22nd. \$6600.00,  
that's a credit going into your account. This is the  
original---

THE WITNESS: That's the King deal again, is  
it?

MR. WEIR:

Q Yes, O. King. And, at least the money is coming in, at this  
stage of the game.

MR. MOSCOVICH: No objection.

MR. WEIR:

Q But it does go out again.

I have a journal voucher here, No. 75, and this is dated  
August the 31st, 1960, a debit to H. A. Jones, \$6,996.00,  
credit to the Central Cattle Company, and then in brackets  
is marked, Meeks Bros., for the credit of \$6,996.00.

THE COURT: And what date is that?

MR. WEIR: Now, this is August the 31st,  
1960, and I believe Your Honour, that this is the entry  
which clears out this particular matter at this time.

THE COURT: Which account is that charged to?

MR. WEIR: Well, this is charged to Jones.

It was---

THE COURT: Which ledger account?





MR. WEIR: This is straight to the members account, I believe.

THE COURT: Are you sure?

MR. WEIR: Well---

THE COURT: Look in the Kline account. I can't see it in the members account.

MR. WEIR: Yes, it is here, Your Honour.

THE COURT: Is it in the---

MR. WEIR: Yes.

THE COURT: Alright.

MR. WEIR:

Q You see this in your account, Mr. Jones, it is marked journal---

A Yes.

Q It says July the 31st.

THE COURT: Oh, July.

MR. WEIR:

Q \$6,996.00.

A Yes.

Q July.

A Oh, yes.

THE COURT: And that is credited to Mr. Hatch's Central Cattle Account, Mr. Moscovich.

MR. WEIR: Although I notice that this voucher appears to be August the 31st, 1960, but at least it is marked, apparently, in the account in this exact same amount.



THE COURT: It is J 68, is it not?

MR. WEIR: Yes, it is J 68. This is 75, Your Honour. I don't see that particular journal entry, or voucher here, although it is probably---

THE COURT: Well, it is in both accounts.

MR. WEIR: Yes.

THE COURT: There is no doubt that it went through.

MR. WEIR: The difference, Your Honour, from what I was advised before, was the interest on the money, because the money was in the Jones account for awhile, so this was the interest that he was actually paying, the difference between the two.

THE COURT: And the date is July---

MR. MOSCOVICH: August.

THE COURT: Or, August---

MR. WEIR: Well, in the ledger card it is July the 31st, 1960.

THE COURT: And the journal entry number is what?

MR. WEIR: 68.

THE COURT: 68. Yes, here it is, in the journal.

MR. WEIR: Yes, marked in journal 68.

THE COURT: That is L 8c, I think.

MR. WEIR: July the 31st, debit H. A. Jones,



credit Central Cattle, and underneath again, Meeks Bros., and beside it, it says V.75. So the mystery is now solved.

Q I believe you said you had no knowledge whatsoever of these transactions involving this thing?

A No, no, I never.

Q Now, in September the 7th, 1962, --- Would you hold your card for one moment, please?

Now, on that date there is a debit to your account of \$14,102.62 under the date of September the 7th, 1962, and it says on this cheque, and also in your ledger card on that date of September the 7th, Imperial Life Assurance Company.

Now, what does this relate to, Mr. Jones?

A A mortgage I had on the farm, and that was the time they wanted additional security, so this was the amount of the mortgage that I owed to the mortgage company.

Q Did this pay the indebtedness in full?

A Yes.

Q It did?

A That paid that right up, in full.

Q What discussions did you have with Mr. Hatch concerning this advance, or payment?

A Well, it was just a discussion, I guess you would call it, that I was owing the Association so much, well, getting more cattle than I should, and all that kind of thing, and---

Q The balance in your account immediately prior to that





transaction was \$55,131.69, is that correct?

A Very likely.

Q Well, you see it in your ledger card, here.

A Yes. So he asked for additional security.

Q You are talking about the Imperial Life---

A Mr. Hatch.

Q Mr. Hatch asked for additional security?

A Yes.

Q Yes.

A For the, on account of me owing so much money to them. So I paid this mortgage off and then I gave him the mortgage on a quarter of land.

Q So you gave him the mortgage on your land?

A Yes.

THE COURT: The same time?

THE WITNESS: Well, right, that was the idea when I paid the mortgage off. It took a little time, I guess, before it was cleared away.

THE COURT:

Q Oh, are you sure of that, Mr. Jones?

A Pardon?

Q Are you sure of that?

A That it wasn't the same time, or---

Q Yes.

A Well, I am---

Q You paid the mortgage off in 1962, didn't you?



A Yes.

Q To the Imperial Life?

A Yes.

Q When did you give the mortgage to the Association?

A Well, it must have been just about the same time, because I---

Q July the 8th, 1960, according--- Now, I may be wrong, but--- And it must have been 1960, because the terms of the mortgage are that you are to start paying in 1961. You gave a mortgage on the 8th of July, 1960, for \$18,000.00, 6%. You agreed to pay \$5,000.00 on the 15th of October, 1961, \$5,000.00 on the 15th of October, 1962, 5,000 on the 15th of October, 1963, and 3,000 on the 15th of October, 1964. Now, the payment to the Imperial Life wasn't until September the 7th, 1962, by which time you should have paid \$5,000.00 back on your mortgage?

A No, that's not right, though, because I couldn't give no mortgage on that land until I got the title from the Imperial Life. Isn't that the way it goes?

Q Well, you could give a second mortgage.

A Well, I wouldn't say that that wasn't done. That might have been done, then, if that's the way---

Q Well, let's see when you paid the legal fees on it. If I can find it.

You remember, you had to pay the legal fees for registering the mortgage?



A Yes. I expect so.

Q Pardon?

A I suppose so, anyway, I don't remember the details there.

Q Well, I will find it.

Yes, 1960, on July the 18th, which was 10 days after this mortgage was registered, the item of \$61.75 was charged to your account, being the legal account of Byrne, Pritchard and Higa, and that account is in your folio here, showing that it covers the registration of this mortgage in 1960. Now, that is two years before you paid off the Imperial Life.

A But does it say that it is a second mortgage?

Q No, it doesn't say anything, it just says that you gave a mortgage. We haven't got an abstract---

A Well, that could have been, I wouldn't say that, but I know that was the, and you know too, that, of course, that I couldn't get a mortgage on it without the title, that is the first mortgage, and that's what that \$4,000.00 was for, to clear off that mortgage.

Q On the same piece of land?

A Yes.

Q It wasn't that you paid off the Imperial Life on your home quarter?

A No. No, I had the mortgage on the south half, on the two quarters, with the Imperial Life.

Q Yes. And you gave a mortgage on one quarter---



A On one quarter.

Q To the Association?

A Yes.

Q Well, your mortgage on your half section stayed on there for two years after you gave the mortgage to the Association.

A Well---

Q According to the records.

A If I ever knew, I have forgotten just why it was that way.

Q Alright. But it wasn't to give a clear title, I mean, it wasn't at the same time, in any event.

MR. WEIR:

Q Having been presented with this evidence, do you now recall that this payment that was made to the Imperial Life Insurance Company was, in effect, after the other mortgage of \$18,000.00?

A I can't see how it could be anything else but at the same time, myself. I don't know.

THE COURT: Well, I have got Mr. Higa's---

MR. WEIR:

Q Now, here is a statement from Byrne, Pritchard and Higa, Barristers and Solicitors, it is dated July the 13th, 1960, and the total amount of that, well, it says in the details, "To preparing mortgage, Horace A. Jones to you, attendance upon Mr. Jones, obtaining execution of mortgage, correspondence





with Registrar of companies, and correspondence with Land Titles Office, completing registration of same, our fee and disbursements \$61.75".

MR. MOSCOVICH: That's damn cheap.

THE COURT: \$35.00.

THE WITNESS: 35---

THE COURT: He is saying that it is reasonable, this \$35.00 fee.

MR. WEIR: Yes. The fee on that total bill was \$35.00. Now, do you recall this, now?

THE WITNESS: Well, I don't think I had anything to do with this particular thing, that is , as far as seeing it is concerned.

THE COURT: Well, you signed the mortgage, didn't you? Now, what does it say, what piece of land? Does it say anything about land?

MR. WEIR: No, it doesn't. Just at the bottom, there is D 292.

THE COURT:

Q Well, you only gave one mortgage to the Association?

A Yes.

Q Well, I think that's it, Mr. Jones. We can get an historical abstract.

A Well, does it matter very much?

Q No, except that you have said that you paid this off, you paid the \$4,000.00 to the Imperial Life so that you could



give a mortgage to the Association.

A Yes.

Q Now, the facts, as we see it, are that you gave the mortgage to the Association two years before you paid off Imperial Life, and we are just wondering why, on that particular date, when you came in and got this odd \$4,000.00, what was happening? Was the Imperial Life pressing you, or what?

A No, the only point was that I was to give the Association more security for the money I had.

Q I see. That is, they wanted that mortgage to be a first mortgage?

A Well, I would suppose.

Q Alright. Anyway, you got this in addition to your advance, advances?

A Well, yes.

Q Yes.

A This is the exact amount that was owing on the---

Q That's right.

MR. WEIR:

Q Now, here is a cheque, dated July the 5th, 1962, in the amount of \$1,265.00.

A Yes.

Q Who is this to? Do you recognize this purchase?

A Yes, Haynes. I bought some cattle---

Q Who?



A This is Haynes.

Q You bought some cattle from Haynes?

A Yes. The Association paid for them.

Q Nine cattle to Jones?

A Yes.

Q And this would be it. Now, the thing that had me a little concerned about it, is why is it done in this way? Is this the usual way for this to be done?

A Quite often. Quite often. I bought cattle quite often and the Association paid for them.

Q So you went in and told the Association that you bought nine cattle from Mr. Haynes?

A Well, I phoned them first.

Q You phoned them first?

A I phoned them first, and then, if they said it was okay, I made the deal with them.

Q Who would you phone?

A Stewart Hatch.

Q You phoned Mr. Hatch, and he said that this would be alright and then you went out and bought the cattle---

A Cattle.

Q Or, at least you obtained delivery of the cattle?

A Yes.

Q And then the Association paid Mr. Haynes the cheque here in question, of \$1,265.00?

A Yes.





Q Now, as a matter of curiosity, when you received cattle in this way how did you arrange for the branding? Did you have your own branding iron of the Association?

A Yes, we had cleaver brands there.

Q You did?

A Yes.

Q And you would brand these cattle then, would you?

A Yes.

Q Now, here is a cheque dated, we are going back a little now, January the 9th, 1959, to Wieler and Williams, Ltd., in the amount of \$10,000.00, and this is charged to your account, which we can look at in a minute, and on the back of that cheque, which was paid by the Association to Wieler and Williams, it says "Pay to the order of the Toronto-Dominion Bank, Edmonton, Alberta, feeder cattle note, Horace A. Jones, Picture Butte, Alberta", and then it is signed "Wieler and Williams Company Limited per Mr. High".

Now, would this, then, be correct for me to assume that this cheque of \$10,000.00 was, in effect, a payment by the Association of monies that they obtained through the, I presume it would be the Royal Bank at that time, to pay off this note of yours in Edmonton at the Toronto-Dominion Bank? Is that correct?

A What year was that in?

Q January the 9th, 1959?

A Yes.



THE COURT:                    There is another \$3500.00 afterwards. There is a letter from Wieler Williams in the file, have you got that?

MR. WEIR:                    February the 9th---

THE COURT:                    Yes.

MR. WEIR:                    1959.

Q     This is a letter that is addressed to the Lethbridge Central Feeders Association by Wieler and Williams, and signed by the same Mr. High.

"Dear Sirs: In reference to your letter of February the 5th, Mr. H. A. Jones of Picture Butte presently owes this office the sum of \$5,300.08, which includes interest to February the 13th, 1959. Hoping this is the information you require, yours very truly, Wieler and Williams Company Ltd.", and then attached to this is this cheque from the Association to Wieler and Williams in the, February the 13th, 1959, to Wieler and Williams, in the sum of \$5,300.08, and now we will just look at your account for a moment.

You see the entry of the \$10,000.00 cheque here?

A     Yes.

Q     January 9th. And February 13th, the other cheque for \$5,300.08?

A     Yes.

Q     Now, what discussions did you have with Mr. Hatch, or in fact any other employees of the Lethbridge Central Feeders



Association, concerning these two items? Am I correct in my understanding of what these two items are for?

A What do you---

Q Well---

THE COURT: What is the background?

MR. WEIR: What is the background, yes?

THE WITNESS: Well, I have gotten cattle from Mr. Williams quite, several times, you know, and trucked them straight from Edmonton.

THE COURT:

Q Yes.

A And the Association---

Q Well, what happened to the cattle?

A Well, I fed them out and then they were sold again.

Q Through whom?

A Well, the Lethbridge Central Feeders.

Q Well, that's the point, now, that we are trying to ascertain. Is there, or are there corresponding sales to represent this amount of 15,000 odd dollars in the Association books?

A They would, they should be there, anyway, because there is no place else---

Q I see. That is the point we couldn't quite understand. Your paying Wieler and Williams 15 odd thousand dollars, and we could find no statement showing the ins and---

A Well, they were shipped, I can remember the one time, anyway, they were trucked right down, and then put them



out on pasture.

Q How long before this?

A Pardon?

Q How long before this? How long would you have kept these cattle?

A Well, just to, well, I suppose, around five or six months.

Q What is the date of those two?

A But I---

MR. WEIR: January the 9th, and February 13th, 1959.

THE COURT: Of 1959. Well, I don't know. On October the 30th, Wieler and Williams got another \$5,000.00 cheque before that. So it must be before that. October the 30th, 1958. Was that the main deal that you had on then, the main cattle---

A With---

Q With feeding---

A For everything, you mean, or---

Q Yes.

A Oh, I don't think so. No, I don't think so. Some years later I fed a bunch of cows for Mr. Williams, and then another time I got two loads of steers in the spring, I suppose March, maybe, or April.

Q You see, in 1958 there is a cheque to Wieler and Williams, 5,000, in February, a cheque to Wieler and Williams of another 5,000 in October, and these two, that would make





25,000, I think there is another item here I missed somewhere, but you don't see any large amount of animals coming in from Wieler and Williams, in any part of 1958. A lot of animals coming in from Mr. Kline. He wasn't connected with it, in any way?

A Not with Mr. Williams.

Q See, there is---

A I don't think.

Q 8,000, 4,000, 13,000, 12,000, 13,000, 7,000, coming in from Mr. Kline in 1957, and then in 1958 the only cattle coming in are 5,000, and 4500 from Mr. Woolley, and 10,000 from Mr. Woolley.

Now, perhaps, here is the thing. April the 21st and April the 24th, 1958--- No, these are only small amounts, 3,000 and 2,000.

I don't see any entries within the near past of this \$25,000.00 item where the cattle are---

A Would you give me those, or would you total those figures on Mr. Kline maybe, that sounds like there is too much money involved there.

Q Well, according to this item in 1957, on June 2nd, 71 steers, 8300, June the 3rd, 36 steers, 4100, and June the 8th, 100 steers on contract, 13,000, and June the 8th, 22 steers, and \$2700.00, and on July the 24th--- Oh, it all went out again, \$21,000.00 credit to you. It's pretty mixed up, maybe we shouldn't---



MR. WEIR: Your Honour, I am just wondering, in view of the time, could we adjourn now and come back at quarter to two? Mr. Jones' accountant is here, and perhaps they could look at it over the noon hour and assist us to speed it up a little bit this afternoon.

THE COURT: Alright. Would that be satisfactory to everyone?

Mr. Snow, are you on this afternoon?

COURT REPORTER: No, Mr. Jardine is, but that will be fine.

THE COURT: You will tell him?

COURT REPORTER: Yes, I will, sir.

THE COURT: Fine, we will adjourn then, until quarter to two.

(ADJOURNED AT 12:18 P.M. TO 1:45 P.M. ON THE SAME DATE)

MR. WEIR:

Q You understand that you are still under oath Mr. Jones?

A Yes.

Q Now, with the benefit of the noon hours recess are you able to assist us any more in the discussions that were going on immediately prior to lunch?

A No, I don't think I can.

Q Have you any more specific questions in that regard, Your Honour?

THE COURT:

Q Well, the only thing I can't understand, Mr. Jones, is



that there are many thousands of dollars worth of cheques going to the Wieler and Williams, and it is difficult for me to see where there are corresponding sales through the Association which will take care of those in addition to your ordinary purchases and sales. Although I note that in January, 1959, you are down to \$14,000.00, and then I think it was after that, if I am not mistaken, immediately after that these two cheques were issued of 10 and 5. Now, it may be that somewhere in there there are sales taking care of it. I just can't put my finger on them, and you can't recall it?

A No. My accountant might be able to handle the situation.  
MR. WEIR:

Q This is a cheque charged to your account on January 28th, 1959. It is not very large. \$445.00, and is payable to the C. O. Asplund Estate. Now, do you know what this would be in relation to?

THE COURT: What is the date of that?

MR. WEIR: January 28th, 1959.

Q You see that debit to your account, H. A. Jones, \$445.00. Do you know what that is in relation to?

A No, I wouldn't know unless I had, it might have been a couple of steers left over in the feedlot.

Q It is certainly not through the usual way that steers would be charged to your account unless you bought some steers from the Estate. It is a direct cheque payable to





the Estate.

THE COURT: I think he did, Mr. Weir. If you go back to January, 1958, you will see that he bought one steer, \$226.31, from C. O. Asplund. And there is another item C. O. Asplund on December 15th, 1958, for \$1,738.90 credit.

MR. WEIR: December 15th, 1958?

THE COURT: It may be 1957. Anyway it is here, \$1,738.90 credit, and \$226.31 credit to Mr. Jones.

MR. WEIR:

Q You recall having some dealings with C. O. Asplund?

A Yes. He used to be our supervisor.

Q Do you recall---

A We did a lot of dealings back and forth. I would say it was alright.

Q You did have some dealings with him?

A Yes.

Q Did you have any cattle dealings with Mr. Hatch, the supervisor?

A No, not personally.

Q Well, that is what I mean, dealings between you and Mr. Hatch involving cattle?

A No.

THE COURT:

Q You did have with Mr. Asplund?

A I can't recall what kind of a deal that that was. I am sure



that is must be okay.

MR. WEIR:

Q I am looking at the Emery Alsop ledger card, and there are two items in here and I hope that you will be able to help us out on them. October 20th, 1961, it looks like a purchase of some 22 cows from A. E. McNichols, and the total amount is--- I am sorry, that is \$3,305.82. And in brackets beside Mr. Nichol's name is marked "Jones". Now, do you know anything about this particular entry?

A What year is that?

Q This is October 20th, 1961. It just says 22 cows.

A And that is all that there is there?

Q There is another one in the same month, October 18th, and it says "Cardston" and it looks like "livestock". Is that the Cardston Livestock Yards?

A Probably.

Q And it says "Jones", and it says 16 cows and the total amount is \$2,237.80. Now, it would appear that you had some dealings with Emery Alsop. Is that correct or not?

A No personal, but it might be through the Feeders Association.

Q What do you mean not personal?

A I don't know the man at all.

Q This man is from the east, from Toronto.

A Oh. That would be through Mr. Hatch. I fed some cows for

I am in the Emory Alsup ledger and there are two items in here and I hope that you will be able to help me out on them. October 20th, 1961, it looks like a purchase of some 22 cows from A. E. Nicholson, and the total amount is --- I am sorry. That is \$3,302.82. And in brackets beside Mr. Nicholson's name is marked "Jones". Now, do you know anything about this particular entry?

What year is that?

This is October 20th, 1961. It just says 22 cows.

And that is all that there is there?

There is another one in the same month, October 19th, and it says "Gardner" and it looks like "livestock".

Is that the Gardston Livestock Yards?

And it says "Jones", and it says 16 cows and the total amount is \$2,237.80. Now, it would appear that you have some dealings with Emory Alsup. Is that correct or not?

Association.

What do you mean not personally?

I don't know the man at all.

From the east, from Toronto.

Mr. Hatch. I feel some concern.

somebody in Toronto, but I don't know his name.

THE COURT:

Q There is nothing in your ledger about it.

A I don't know.

MR. WEIR:

Q This is just in the Alsop.

THE COURT: Yes, but there is nothing in  
Mr. Jones' ledger that we can find.

MR. WEIR: I didn't notice anything  
particularly, although there could be.

THE COURT: There is no reference to it.

MR. WEIR: No.

Q Do you recall any conversation with Mr. Hatch?

You recall having some dealings with somebody, but you don't  
know who he was?

A I think that this fellow worked for Canada Packers, but  
it was somebody back in Toronto wanted to put cows out.  
He felt that the price was going up and he wanted to make  
some money, and I took cows on feed, on beet tops.

Q What were you to receive?

A I think 35 cents a day.

Q You received 35 cents a day?

A Yes.

THE COURT: There is a settlement for 35 cents  
a day somewhere.

MR. WEIR: Yes. I recall looking at one of the



journal entries somewhere on that.

THE COURT:

Q Did you do that for somebody else?

A Yes, Mr. Williams.

Q And that was 35 cents a day?

A Yes.

MR. WEIR:

Q Did you have such an arrangement with Mr. Hatch? Did you have any such relation, cattle dealings with Mr. Hatch?

A Well, just in that way, not personally with him.

Q Arrangements that he would make on behalf of someone else?

A Yes.

Q Such as Mr. Alsop, presumably?

A Yes.

Q Were there any other cattle arrangements that you made other than the ones that you have already told us about?

A Yes, the National Beef, Montreal, I fed cattle for them.

Q Who arranged for this?

A The Feeders Association.

Q Were these arrangements in cattle dealings where the amount would be charged to your account? I am thinking particularly of a contract basis such as this 35 cents a day, the arrangement with Mr. Williams and Mr. Alsop probably on that same basis?

A The Feeders Association did all the dealings. They got the money and put it in my account.





Q And what other arrangement can you recall along those lines?

A National Beef, and then Stienberg.

Q This is in 1957?

A Yes. And the fellow in Empress in Saskatchewan there, I fed 280 heifers for him.

Q How would you arrive at those figures, 21 cents on the gain, 35 cents a day, etc.? Did you work it out in your books to figure out how much that you would have to charge to get ahead to make a profit?

A It is just a proposition that is put to you, and if it looks like it is alright you take it on.

Q How would you know that it looks alright? Would you figure this out?

A Just experience, I guess.

Q I understand that you kept a fairly accurate record of the amount of money that it cost you for feed every year?

A Yes. My accountant dug that all up.

Q Your accountant would compile these figures from records that you kept yourself?

A Yes.

Q Would you figure out from your records how much profit that you would make on each one of these separate deals? Let us say on the arrangement that you made with Mr. Alsop, would you figure out that at the end of this particular transaction how much money that you made or you lost or



whether you should adjust your figures on a further deal?

A I think it has been my experience that you figure as closely as you can and then you have to guess.

Q But you made certain figures though?

A In your own estimate.

THE COURT:

Q There is quite a difference between 21 cents a pound and 35 cents a day, if you are gaining two pounds a day?

A The cows would gain more than the other cattle as a rule. The price per pound on a cow is not nearly as high as on a steer.

Q I was just noticing on one of your accounts which I thought was rather cheap, 35 cents a day, but I don't know.

A Not for field feed.

Q That would be for field feed?

A Yes.

MR. WEIR:

Q I show you two cheques, Mr. Jones, and they are both dated the same day, January 5th, 1961, and both payable to the same individual, C. W. Heninger. The first cheque is No. L452, and it is payable by the Association to Mr. C. W. Heninger in the amount of \$18,882.88, and the second cheque being No. L453, payable to him by the Association in the amount of \$17,267.12.

THE COURT:

What date was that?

MR. WEIR:

January the 5th, 1961.



Q Do you see these two cheques? Do you see these two cheques in question referred to on your ledger card on January 5th 1961? These two cheques we just referred to?

A Yes, I see them.

Q Have you any knowledge about what this is about?

A No. I think we tried to straighten it out when we were going through the figures, but I understood that one cancelled the other one out after New Years.

THE COURT: There are two of them.

MR. WEIR: Yes, there are two of them.

Q We will have to do this a little slowly.

A I never dealt with Mr. Heninger on cattle.

Q On the, in connection with the one cheque, which is cheque No. L453, if you refer back to December 19th there is an item, the details of which in your ledger card say "C. W. Heninger" and a cheque deposited in your account on that day of some \$17,267.12. That cheque is the same amount that was in effect charged to your account on January the 5th, 1961?

A Yes.

Q Do you see that?

A Yes.

Q Now, the other cheque involves a little card shuffling here, and if you will follow it with me for a moment. For some reason or another on your H. A. Jones feed account on December the 19th, 1960, which is the same day that the





other cheque of approximately \$17,000.00 was deposited, December the 19th, this feed account of yours, this particular cheque in the amount of \$18,582.88 is credited to your account?

A Yes.

Q Do you see that?

A Yes.

Q And now, this is not the only time that this amount appeared. On March the 31st, 1960, for some reason or another it is transferred to H. A. Jones and S. Kline account?

A Yes.

Q And if we refer to this other account on that same day, March the 30th, you see the credit in that same amount of \$18,582.88?

A Yes.

THE COURT: That is on March the 30th, 1961, that that transfer was made. But when was the cheque actually returned to Mr. Heninger?

MR. WEIR: This was on January the 5th, 1961.

THE COURT: And notwithstanding the fact that they gave Mr. Heninger back his money on the 5th of January, they were still transferring it from one account to another in March, two months later.

MR. WEIR:

Q Now, Mr. Jones, have you any idea why this card shuffling



or movements of money from one of your accounts into another would have taken place? I find it very confusing. Do you find it confusing, or does it help you in understanding your account?

A No, it doesn't help me any. I don't understand anything about it. I never heard of it before.

Q It would appear that you had in effect four separate groupings of accounts. These two that I have just referred to, your regular members account, and the ledger card involving you and your son Garry?

A Yes.

Q Were there any discussions between you and Mr. Hatch about the thought of perhaps opening another ledger card involving the \$18,000.00 mortgage?

A No.

Q It would appear to me that it would actually assist in your understanding where you were with the Association, and vice-versa, if this mortgage account was opened up debiting the mortgage with \$18,000.00 and crediting your members account with \$18,000.00. That no discussions were held on that?

A No.

THE COURT:

Q You realize, Mr. Jones, that under your mortgage they agreed that you paid the \$18,000.00, and that the mortgage paid it and it was not to come due until 1961, 1962, 1963, and 1964. So that it looks to me that it should have been taken out



of your ordinary account and put into a mortgage account.

A I don't recall anything like that happening at all.

Q Well, it didn't happen.

MR. WEIR:

Q It appears to be quite a challenge to figure out exactly what your financial position is with the Lethbridge Central Feeders Association, yet you told us before that you think there are only two particular areas that you are in doubt about at this time with what evidence that you have been able to find in examining your account?

A Yes. If there is any difference it is up at the other end, the sales and things like that.

Q Now, we have heard testimony, and I believe it was from Mr. Herb Bishop, concerning some money that he suggests that he was able to make from lending credit to your account. Do you know anything about it at all?

A No, I don't know.

Q Your Honour, in going over this particular account last night I endeavored to find these entries. There certainly are the cheques we saw when we discussed this matter with Mr. Bishop, and some were in the vicinity of \$3,000.00. There was a total, as you recall, of over \$5,000.00, and approximately \$1800.00 was taken care of with the account we were discussing at that time.

THE COURT: There is a cheque for \$1,025.46 paid to Mr. Bishop out of Mr. Jones' account.





MR. WEIR: Which particular date is that,  
Your Honour?

THE COURT: I haven't it here. I saw it here  
a little while ago. When was the dealing supposed to be?  
It is marked "Bishop" in the ledger account. What year was  
that about, 1961?

MR. WEIR: The cheques we were discussing  
with Mr. Bishop ranged from January the 9th, 1959 to---

MR. MOSCOVICH: Is it July the 9th, 1963?

THE COURT: No, July the 26th, 1961, voucher  
157, journal entry 81, \$1,025.46. Now, that is a journal  
entry which we can check. Here they are.

MR. WEIR: Your Honour, I believe that is  
an interest charge and not a cheque.

THE COURT: Alright, an interest charge.  
But it is charged to Jones on the Bishop--- It says in  
brackets--- It says "Bishop" in brackets. Now, what  
does that mean?

MR. WEIR: I hope that is a rhetorical  
question, Your Honour.

Q Can you help us out at all on this, Mr. Jones?

A No, I am not acquainted with that one.

THE COURT:

Q There are some items in your account, Mr. Jones, called  
"Transfer of cattle". And again I can't tell you exactly.  
Just go on until we find it.





MR. WEIR:

Q Mr. Jones, I show you a document that was simply outlining the balances in various accounts. This is a document submitted to the Royal Bank by the Feeder Association. Under your name is, you see the mark "X" here. It indicates that the date of the last nil balance was on July 15th, 1959. Do you see that?

A That means we were even, does it?

Q Yes.

MR. PROWSE: Your Honour, that Bishop cattle transfer, I think, would be April 3rd, 1959. There is a debit of \$19,507.26. That is April 3rd, 1959.

THE COURT:

Q Now, that would appear to look to be an actual cattle transaction. Did you buy any cattle from a Mr. Bishop at all that you know of?

A I don't know him at all. I don't think I do. Not by name anyway.

Q 111 steers it looks like.

MR. PROWSE: I can't tell on my copy. All I can see is the money charge there.

THE COURT: On the left.

MR. PROWSE: Yes.

THE COURT:

Q Ordinarily we would take that to be a legitimate transaction in view of the odd cents.



A Is Mr. Bishop a rancher?

Q He is a farmer just south of Barnwell, and he had a feedlot.  
MR. WEIR:

Q Yesterday he testified that he received approximately  
\$3,000.00 for lending credit to your account, Mr. Jones.  
At least this was his understanding.

THE COURT: And then on July 31st, 1959, there  
are two transfers of cattle. One \$16,000.00 and one  
\$15,000.00.

MR. WEIR:

Q Do you see those two?

A Yes. What year?

Q July 31st, 1959.

A I don't know what that would be, I am sure.

Q Now, Mr. Jones, looking at your ledger card, the balance  
of your account on July 15th, 1959, actually appears to  
be \$56,855.50. Is that correct? That is what it says in  
the balance on your account?

A Yes, that is what it says.

Q Now, let's go through 1959. Now here is one page involving  
1959, January, through to half of March. Do you see any  
place there where the balance is nil?

A No.

Q Now, from the latter part of March, 1959, to the first part  
of July, 1959, looking at your ledger card on this page,  
do you see any portion which is marked nil in the balance?



A No.

Q Going over from the rest of July up to portions of September, 1959, and looking down the debit balance in your account, do you see any portion of the balance which is marked nil?

A No.

Q And then September up to December, and finally the end of December, 1959, is there any date during 1959 when the debit balance in your account is nil?

A No.

Q And yet according to this bank statement in 1959--- I am sorry--- According to this statement we are looking at from the Royal Bank it indicates that July 15th, 1959, there was a nil balance in your account?

A Yes.

Q Now, Mr. Jones, Exhibit A 9, which is the special report you have, the Special Report to the Board of Directors on August the 10th, 1964, at page 15, it indicates that as at December 31st, 1963, according to the bank your account balance was \$35,319.01. Is that correct?

A Yes.

Q And according to the bank they thought your credit should be at \$40,000.00. At least they thought that that was the limit. This was the limit authorized credit in your account of \$40,000.00?

A Yes.

Q And the records indicate that as of that date that the





debit balance in your account was \$55,319.01?

A Yes.

Q Do you see that?

A Yes.

Q So that it would appear that on this date there is only one figure changed.

THE COURT: What figure did you read?

\$55,000.00?

MR. WEIR: Yes, Your Honour.

THE COURT: What year?

MR. WEIR: December 31st, 1963.

THE COURT: It would appear to be \$95,000.00.

Oh no, I am sorry. On that date is the date that they they took the \$40,000.00 out before they reported---  
Actually the account in the morning was \$95,000.00 and in the afternoon \$55,000.00, and then they put it back on the famous day, March the 19th.

MR. WEIR:

Q Now, as you notice, the difference between these two figures, one according to the bank list and one according to the Association records, the Association records late in that afternoon at least, the only number that is changed is the first number, and instead of being \$35,319.01 it is recorded in the Association books really as \$55,319.01.  
Now, these are just three discrepancies, and I can assure you that if we go through there are many more between those



years. So, are you familiar with, and do you have knowledge of these discrepancies having been made at the time that they were made?

A No.

MR. MOSCOVICH: Perhaps you will ask him which one that he owes.

THE COURT: That is a matter of litigation.

MR. PROWSE: I thought we were going to settle the account today.

THE COURT: No, that is not my function Mr. Prowse. You will have to have another day.

MR. WEIR:

Q Mr. Jones, you knew that your authorized limit of credit was \$40,000.00?

A Yes.

Q And yet as it appears here, at least in the morning of December 31st, 1963, the debit balance in your account was \$95,319.01. Do you see that balance there?

A Yes.

Q And in fact if we turn over the page, and in fact if we go back to June, 1963, the figure on June 19th, 1963, for example, we hit a credit advance, at least a debit balance in your account of \$143,405.41. Now, did you think that the bank knew that you owed this amount of money to the Association?

A I don't think that the bank thought that I owed that much,



and I don't think I did either.

Q Well, according to this statement here it would appear that the bank did not know that you owed that amount of money, but did it occur to you when you saw your account from time to time, and you said that you did see your ledger card from time to time, during 1963, for example, when it is getting so high didn't you wonder about this as to why you were not asked to sign a larger contract?

A I don't think we had or that we did too much worrying about that part of it. We just went ahead and did the best that we could to try and pay what we owed, try to get back under the nil.

Q You were up, let us say that figure that we just looked at, \$140,000.00 or so, didn't it occur to you at that time that you were very heavily in debt to the Association?

A Yes.

Q Did you ever have any discussion with Mr. Hatch about this?

A Only to the extent that we were in pretty deep, but I don't know how many cattle I had at that time.

Q Are you trying to suggest to us that although owing that huge amount of money Mr. Hatch never mentioned any problems that he was going to have with the bank with the high amount that you owed at that time?

A Well, as I remember he said several times we would have to try and keep this down.

Q I presume that he said that.





A Coming back to the \$140,000.00, that is not right, is it?  
Or is it?

THE COURT: On June the 7th, Mr. Jones, you sold \$51,832.81 worth of cattle, being 196 livestock, leaving \$91,000.00 owing, and a balance of 226 on hand. Now, 226 at, even at \$250.00 a head, which I don't suppose that they were worth that much, it would be only \$50,000.00. So that you were \$40,000.00 short even at the very high figure of \$250.00 a head.

THE WITNESS: I can't recall any time where I owed more than \$103,000.00. That is the highest I ever heard of.

THE COURT:

Q That is \$40,000.00 less than what is in the books.

A Yes.

MR. WEIR:

Q You are suggesting that you had no discussions with Mr. Hatch whatsoever concerning the problem which he was presumably going to have in trying to answer this question to the bankers if they discovered that you owed this amount of money?

A I suppose that he would mention it. Nobody would have to tell you too much. We would know there would be trouble getting this money in if the cattle business didn't stay up.

Q But yet you are suggesting to us that Mr. Hatch never mentioned anything to you whatsoever concerning any





manipulation or shuffling of accounts that he was going to have to do in order to satisfy the bank so that there would not be any trouble?

A No. I didn't know that my account was split up with Garry either until after the shake-up. Garry had borrowed money from Mr. Hatch. He had sheep and he borrowed on the strength of the sheep and he paid it back.

Q Was this a personal deal or was this through the Association?

A Through the Association.

Q It was through the Association?

A Yes, I am quite sure.

Q Did you think that the members of the Board of Directors knew the amount of money that you owed the Association?

A Well, I wouldn't know what I thought. I just never thought of anything like that about the Board.

THE COURT:

Q There was a Board member in your area?

A Yes, Mr. Reynolds.

Q And he died last year?

A Yes.

Q Did you ever discuss with him your situation?

A No.

Q What were these members there for?

A Like all of the feeders, they just trusted Mr. Hatch and Mr. Asplund the same. It is not a new thing as far as the members are concerned.



Q What do you mean by new thing? The trouble?

A This getting advances to help out in the cattle business, feed.

MR. WEIR:

Q Now, Mr. Jones, as you can see just from these two examples I cited as far as the discrepancies according to the Association records and the bank lists, you can see that Mr. Hatch or somebody in the Association went to a lot of trouble on your behalf to reduce the balance outstanding as far as the bank was concerned. Now, did you pay any cash consideration to Mr. Hatch for any of this trouble that it would appear that he went to on your behalf?

A No.

Q Did you make any gifts to Mr. Hatch in this connection?

A No.

Q Did you promise Mr. Hatch anything whatsoever?

A No.

Q Now, have a look at your feed account, Mr. Jones. There is a debit on November the 11th, 1959, in the amount of \$169.27 to Jesse Burrows. Now, to help you refresh your memory I will show you this statement which is actually dated October the 12th. This is a statement from J. W. Burrows Plumbing and Gasfitting, it looks like, and their address in Lethbridge, and the total amount at the bottom of that is \$169.27. Now, could you have a close look at this statement and look at all the items involved in that



statement. I draw your attention particularly to the top of it which indicates that the plumbing supplies in question were installed for Mr. S. Hatch at the address 1305 - 20th Street South, Lethbridge. Have you any knowledge about any of the details of this particular account?

A This is in 1959?

Q Yes. October, 1959.

THE COURT:

Q Have you got a hot water tank in your home in Picture Butte?

A Yes.

Q Where did you get it from?

A I believe from the dealer in Picture Butte.

Q Did you--- Are you sure that you didn't get it in Lethbridge?

A Well, I am quite sure. Well, do you mean I bought all this stuff? Is all this stuff up against my account?

MR. WEIR: Yes.

THE WITNESS: I haven't anything like this.

MR. WEIR:

Q What haven't you?

A This range boiler adapter and internal tube and sediment faucet.

Q You never received anything like that?

A No. We have water, we have a water pressure system in our house, but we didn't do any dealings in Lethbridge.

Q Going back now in that year do you ever recall buying anything from J. W. Borrowes in 1959?





A No.

Q Can you recall buying anything from there?

A No, I have never been there and I don't know where it is.

Q Did you direct that J. W. Burrows install the items mentioned on this particular document in anybody else's home?

A No.

Q Did you authorize this particular charge to be, to your account of \$169.27?

A No.

Q I would like this document marked.

EXHIBIT F 15  
J.W.Burrows account in  
amount of \$169.27.

THE COURT: Whose name is on the top of the account?

MR. WEIR: Mr. S. Hatch.

THE COURT: And the address?

MR. WEIR: 1305 - 20th St. South.

Q In my telephone conversation with them I can assure you that the recollection of this organization is identical with yours, that it was not installed for you, and in fact it was installed for Mr. Hatch.

THE COURT: We will be calling them.

MR. MOSCOVICH: Yes. I notice that my learned friend gives a lot of evidence, but it's alright.

MR. WEIR:



Q Now, again in your feed account there is an item, October 21st, Four Corners Body Shop, \$740.00. Now, in the date of October, 1959, for \$750.00, there is marked the name "Don Nilsson". For details it says "In full for 1953 DeSoto". Now, have you any knowledge about this particular transaction?

A No.

Q Did you ever obtain a 1953 DeSoto from the Four Corner Body Shop?

A No, and I never had a DeSoto.

Q Did you ever receive any automobile from the Four Corner Body Shop?

A No.

Q Would there be any reason for this \$740.00 to be charged to your account that you know of?

A No.

Q Did you ever authorize this particular bill to be charged to your account?

A No.

THE COURT:

Q Did you ever receive repayment of this amount?

A No.

MR. WEIR:

Q Or repayment of the previous exhibit in the sum of \$169.27?

A No.

Q It would appear that your visit today has assisted you in



at least finding the latter two items that should not be charged to your account, Mr. Jones. I have no further questions.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Was your son Garry carrying on business with you?

A No, not really. He had a farm over at Scandia.

Q Did you feed cattle together at all?

A No.

Q You never have?

A No.

Q Did you have any discussion with Mr. Hatch about this extended credit over and above your limit?

A No, I never had any discussion. Not to any length anyway. Just put the proposition there, and that was it. There is nothing else to do. If we had cattle we had to have feed, and we just kept going and tried to make a dollar.

Q But you have looked through all these ledger sheets before you came today?

A A few months ago Cliff Peterson showed us them.

Q Haven't you had copies of your ledger sheet since last March or so?

A I am not sure what the ledger sheet means.

MR. WEIR:

Q Did you have or did you see these ledger cards that we looked this afternoon or this morning. There are four



groups of them here.

A I would have to ask my accountant if these are the figures that he has.

MR. PROWSE:

Q If they are, those are the figures that you had gone over with him before coming this morning?

A Yes.

Q And in going over those figures with him the only objection that you had were the two items, the \$6,000.00 item and the \$9,000.00 item?

A It simmered down to that. There were more to begin with but they got straightened out.

Q But you were satisfied except for these two items?

A Yes, satisfied as far as that, but I am not satisfied there is not something wrong at the other end.

Q What do you mean by that?

A On the sales end.

THE COURT:

Q You mean on weights and shrinks?

A Yes, and freight.

Q We have been sitting here for almost two weeks and nobody has come up with any definite statement on weight or shrink, and until someone does I can't do anything about it.

A There is one deal I had, the first and only one up to that time that I had doubts about, Stewart phoned out





and asked me if I wanted a bunch of steers from B.C., 290, or something like that, and we made the deal over the phone, and I understood that they were laid down at that price at my place, but along comes a \$1200.00 trucking bill later on, a month or two or three months after, which I did not expect, and I am not sure whether it was right or wrong. But that is the only deal with Mr. Hatch and myself that I ever had any doubt about at that time.

MR. PROWSE:

Q And no other deals or sales that you are objecting to?

A No, nothing definitely.

Q That is all.

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q Mr. Jones, you have been a long outstanding member of the Association?

A Yes.

Q Of the Lethbridge Central Feeders Association?

A Yes.

Q And there is no question that beyond--- You have been a member you say for many years?

A Yes. I think 25 years.

Q And throughout the 25 years --- Mr. Weir has come across two or three discrepancies, is that correct?

A Yes.

Q Now, the \$69,000.00 referred to by my learned friend



Mr. Prowse were paid into your account and taken out of your account. They were debited and credited.

THE COURT: Not the \$9,000.00. The \$9,000.00 is the Stienberg balance. He is charged for \$9,000.00 worth of feed, and he doubts whether he had \$9,000.00 worth of feed at the end of the Stienberg deal.

MR. MOSCOVICH: That's right.

Q You may find after careful investigation that you owe a substantial sum on that Stienberg account, but you don't know for sure the exact sum owing?

A No. Whoever came out to check it, that was it, and I didn't hear any more of it until this year.

Q Did you receive a letter from Mr. Williams asking you to verify an indebtedness?

A Yes.

Q Did you sign that letter or not?

A The last one?

Q Yes.

A I am not sure whether I signed that last one or not. I didn't always.

Q It is suggested that you might have signed it?

A I might have.

Q At any rate you owe some sum and substance to the Lethbridge Central Feeders Association?

A Yes, according to the figures I have seen.

Q Have you any assets in the nature of cows or steers or



other animals to show for that indebtedness?

A No. I had 100 calves, I finished them and I sold them in about, I guess, October, something like that, or September.

Q And you have said several times both to my learned friend Mr. Weir and to my learned friend Mr. Prowse that you received absolutely nothing, or that you gave absolutely no favors or gifts or monies to Mr. Hatch?

A Not at any time.

Q He expected no favor from you?

A No.

Q And it was a straight business deal, and when you use the word "Hatch" you mean Central Feeders?

A Yes.

Q And if some errors have been made in these books they may have been made accidentally or in, or by mistake?

A As far as I am concerned they could be. I trusted Mr. Hatch like nobody's business.

Q And you found no reason during your 12 or 15 years that he has been the supervisor to mistrust him?

A No.

MR. WEIR: Your Honour, I have one more question.

MR. MOSCOVICH: Don't spoil my cross examination.

MR. WEIR: You can ask him a question or two after if you like.

Q On October the 13th, 1959, there is a debit to your account





of, in the sum of \$882.42, and it refers, it looks like "Tollestrup Construction"?

A Yes.

Q Do you know anything about this particular entry?

A No, I don't.

THE COURT: What is that charged in, what account?

MR. WEIR: This is put through H. A. Jones and S. Kline account.

THE COURT: It may be that Mr. Kline had some work done by Tollestrup.

MR. WEIR:

Q But you know nothing about this at all whatsoever?

A No.

THE COURT:

Q You know nothing about this?

A No.

Q You know who Tollestrup is?

A I don't know him personally.

Q You know what business that he is in?

A Yes.

Q And you are sure that there was no business transaction between you and Mr. Tollestrup?

A Yes.

Q Now, in June, 1957, you took on a contract cattle deal with Mr. Kline, and there was about \$28,000.00 paid out



by the Association for these cattle, and then Kline paid in another \$21,000.00, but on August the 23rd there are two more items in their account totalling \$21,000.00 charged to Kline, so that the result is that there is a debit in the Association books covering these Kline cattle of \$28,000.00 which you fed. Now, as a member of the co-operative, and as a member of this Association, did you consider that there was anything wrong in providing \$28,000.00 to Mr. Kline, who is not a member, for the purpose of a feeding arrangement with you?

A I can't imagine that I had anything to do with it.

Q No,---

A Outside of feeding the cattle.

Q You were feeding the cattle and the \$28,000.00 was charged to your account. Your credit was used. Now, it seems to me that this is the Association's money, a co-operative's money being used to assist Mr. Kline who actually is in opposition in the business, in opposition to the Association. That never struck you at all?

A No. As I say, I didn't have anything to do with the business part of it. A lot of the time I didn't know whose cattle I was feeding in that respect. Mr. Hatch always did the supervising and things like that.

Q Now, the Stienberg deal was put in operation in 1956?

A I think later.

Q No, I think it was earlier. December the 4th.



And according to my information, which may or may not be correct, the deal was set up with about five feeders?

A Yes.

Q And you were one of them?

A Yes.

Q And you signed a separate contract?

A I don't know whether I did or not.

Q And the arrangement was that everything was to be found?

A Yes.

Q Stienberg put up, which is a large department store in the City of Montreal, they put up all the money for the cattle?

A Yes.

Q And for the feed?

A I don't know. I don't know whether--- It might be that the Feeders Association put the money up for feeding. I don't know.

Q In any event you remember there was an agreement that at that time you were not to have any other cattle in your feedlot but the Stienberg cattle?

A I don't know whether I had any more than that. I think I had 500 head of those and that would be plenty.

Q I will read you the letter here, a copy of a letter addressed to Mr. Hatch from Mr. Campbell, the manager of the bank. It is dated December 4th, 1956.

"We were most surprised to have you confirm today



information which came to our attention from another source to the effect that Mr. Horace A. Jones has cattle in his feedlot other than those which he is feeding under the contract which the Association has with Stienberg's Limited. This is in direct contravention to Section 10 of the feeding agreement, which he signed on September the 12th, 1956. Also we had your assurance that the requirements of this section would be closely observed. In the circumstances it is important that the situation be clarified immediately, and we suggest that you also notify Mr. Jones to the effect that you are considering the cancellation of this contract in accordance with Section 12.

In view of the foregoing we should like to have your definite assurance that a similar situation does not prevail with any of the other members who are operating under the Stienberg agreement."

I take it that the reason they were being so sticky about this was that the feed was being supplied by Stienbergs, and Stienbergs did not want their feed being fed to other people's cattle?

A That would be the way it would be. But I don't remember whether I had any other cattle at that time or not, and if I did I had the feed separate.

Q They were concerned about you having other cattle there. But in any event the Stienberg deal, which was a surefire





thing, and finally came to an end with a loss?

A That is what I understand. I understand that the cattle didn't suit them when they were through, that they were too large.

Q And the result was that somebody was left with a bunch of feed on hand and it was suggested that you had \$9,000.00 worth?

A Yes.

Q Well, I have made a summary of between 1959 and 1964 that your cattle sales amounted to \$541,000.00, and the value of the cattle placed on feed with you came to \$219,981.00, so that the amount of money received by the Association on the cattle that they sold on your behalf exceeded the amount of money that they paid for the cattle on your behalf by \$219,981.07. Now, in the meantime you drew \$207,975.00, which left you with \$12,000.00. After taking your advances and crediting you with the excess of the sales over purchases you had \$12,000.00 left. But the interest and private reserves and so forth amounted to about \$18,000.00, and in addition to that you got this mortgage payment of \$4200.00, and your son got a cheque for \$5,000.00, which was charged to your account, and the \$9,000.00 Stienberg item was charged to your account, and several other items of supplies and that sort of thing charged to your account. And the result is that you ended up with this \$84,000.00, or whatever it is, and then you say that you sold some this



fall.

A Yes.

Q What was that?

A 130 or 140 each.

Q How many?

A Right around 100.

Q So that your account would now stand at around \$70,000.00?

A \$60,000.00, or something like that.

Q Well, did you never feel that you were going in the hole quite rapidly?

A Well, yes. I kind of had hopes, of course, from time to time that we might get the break and make a dollar.

Q The only trouble with this is, of course, when you need an umbrella you never have one.

A And furthermore Mr. Hatch and I felt, and I believe that his attitude was to give me every chance there was to make some money, so we went overboard and I got more cattle than I was supposed to have, financially speaking. And we, he gave me all the different kinds of cattle there are practically to try and make a dollar on something, and according to the figures in the Association we lost on everything.

Q You did not keep a separate feed account in the bank?

A No.

Q When you got \$47,000.00 in 1962 that went into your Bank of Nova Scotia bank account?



A No.

Q Or whatever bank it was.

A No. I never had any money to put in the bank.

Q What did you do with it?

A The feed took it up.

Q How did you pay for your feed?

A Usually by cheque.

Q Yes. So that you put this money in your bank account?

A Yes, every month or so.

Q You would put all these advances in your bank account?

A Yes, pretty much.

Q You wouldn't cash 2 or \$3,000.00 cheques?

A Sometimes when I dealt in the Picture Butte bank for the farm. But in town or for the grain and stuff I dealt with the Treasury Branch.

Q All these cheques actually were deposited in the Treasury Branch?

A Yes. But I would often take cash out of the other bank for running expenses.

Q So that you did not keep the money that you received from the Association in a separate account?

A No.

Q Nor did you pay your feed bills from a separate account?

A No.

Q You mixed the Association money with the money that you received from your beets and grain and so on?





A Yes.

Q Now, how did you ever know during these years what was your income from grain, from beets, and what not, how much that you were losing oncattle?

A I don't think anyone knows. I didn't keep books, and if I had I couldn't have come close anyway.

Q I think that you could keep your beets separate, your beet income and grain income, and sell it to yourself for feed if you have to. Companies do that. They sell like that?

A Yes.

Q I don't know anything about cattle feeding, but I have been reading some of these Research Station papers that say that you really have to get down with a sharp pencil and figure out pretty closely what it is costing you to feed, or you will lose your shirt, which you have done?

A I don't think any bookkeeping that I could have done would have made any difference.

Q You might have decided to rest awhile if you were losing 20 or \$30,000.00 a year.

A You can't rest. It is like stopping the middle of a pond or in the middle of the stream, and it isn't the thing to do.

Q We heard Mr. Harsany the other day and he said that he quit buying because he didn't think it was a good idea, prices got too high, and so he apparently took a rest for a few months. You have to do that once in a while?

A Well, you might go and rest the wrong year, and that would



be worse.

Q Now, for example, everybody says that this fall it is an excellent idea, that it is an excellent year to buy feeders, because the price is lower than it has been?

A And now we are going out of hay.

Q Yes, but we can't help that. Have you ever discussed problems of feeding or problems of finance with the so-called experts? I think that they are experts. shouldn't use the word "so-called". I mean with the experts who have given a lot of study to these things. There are printed pamphlets and books for your benefit, and not for anybody else's.

A I don't go around too much very far with those experts. I think that they have to come back to the ordinary guy to find out the truth.

Q Well, don't they?

A I don't know. I never could find out anything for sure. They talk about putting on three pounds a day and three and a half pounds a day, but I never have any idea that they come very close to it.

Q I know some feeders who probably test weigh cattle. Did you ever do that?

A No, but I have heard reports from the sugar company that they don't give out the right figures from the hired man.

Q They do weigh them?

A Yes, every 15 minutes or so.



Q Do you think that the sugar company loses money?

A Mr. Pilling told me last fall that they stood to lose \$40,000.00 if the price had not brightened up a little bit there. And if these people could put on that many pounds on a critter that quick they would be all millionaires, and I don't know where they would be.

Q For example, there was quite a serious change in the price of barley between 1960 and 1962. 70¢ to \$1.00 and \$1.15?

A Yes.

Q And that would have increased your costs on barley a tremendous amount?

A Yes.

Q Did the Association, or the fieldmen, ever give you any advice as to when to buy or when to sell or anything?

A Well, to sell, yes. They are in the position to come close to guessing anyway what would be a good time to sell. And if they don't we haven't got any chance.

Q And you have no idea of these reports to the bank at all?

A No.

Q This is one of the most amazing ones. May the 11th, 1962, they say your low was \$8,257.60, and the actual fact in the book is that they just added a five in front of it and made it \$58,257.60. He just took the "5" off in reporting to the bank.

A That is not the time when they split my account with Garry's?





Q No, that is December 31st, 1963. I am talking of October 22nd, 1962. You see on December the 31st in the afternoon, or in the morning, they transferred \$30,000.00 to Garry. Now, that actually reduced your account over the year end, and it could be reported to the bank that all that you owed was \$40,000.00 less than you did. I think that is all Mr. Jones. Thank you very much.

(WITNESS STANDS DOWN)

MR. WEIR: Your Honour, there are no more scheduled witnesses for today, but Mr. Don Nilsson, who is scheduled to appear tomorrow, will appear today instead.

THE COURT: Alright.

(FIFTEEN MINUTE ADJOURNMENT)

DONALD L. NILSSON, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. Donald L. Nilsson, the same Donald L. Nilsson who testified in December, are you not?

A Yes, that is correct.

Q Now, Mr. Nilsson, I show you Exhibit A 16, which is a letter introduced by the Chartered Accountant John Williams, a letter to Mr. H. G. Houlton. This is involving a deal that you and Mr. Hatch had with Mr. Sam Kline. Would you look over that exhibit for a moment to help to refresh your memory on that transaction. You are familiar with that particular transaction?

A Yes.





Q When did this transaction take place?

A It says 1954.

Q Is that according to your recollection as well?

A As near as I can remember.

Q And it also indicates in this exhibit that you received the sum of \$2,497.37, which was the identical amount that Mr. Hatch also received with the exception of a 1¢ difference from this particular transaction. Do you recall having received this amount of money?

A Yes.

Q Did you have any discussion whatsoever with any member of the Board of Directors regarding this particular profit that you made on this venture?

A No, I didn't.

Q Did you discuss it at all with Mr. Hatch?

A The profits we made?

Q Yes.

A We were happy we made a profit.

Q Now, will you tell us about the transaction, as to how you made a profit. What did you do?

A Well, some of the members wanted to have a contract to feed cattle on a gain basis, and we had done this in the past with some of the members with Pacific Meat and other outfits like that, and we approached, Mr. Kline was approached to see if he wanted to feed cattle on this basis, and he said that he did. Mr. Kline asked Mr. Hatch and I if we would



like to be partners with him, and I think it was only through the goodness of his heart. He thought that there was going to be a profit made and there was.

Q Now, what money did you put up on this transaction?

A No money at all.

Q No money at all?

A No.

Q And what risk was there going to be?

A If the cattle had lost, if they sold the cattle at a loss I would be expected to pay my share of the loss.

Q And this was a one-third proposition?

A Yes.

Q As far as you were concerned you were going to get one-third of the profit or sustain one-third of the loss?

A Yes.

Q Now, did you have any other similar arrangement involving Mr. Kline?

A In subsequent years we have done it the same way.

Q Did you make a profit in these following years?

A I think yes that there was a small profit made at different times.

Q Now, this would be since 1954?

A Yes.

Q Now, when would these other instances occurred, in 1955?

A Well, I can't remember offhand the years. I remember we fed with Mr. Jones on different occasions, and the year



that was in question here on the \$750.00, that was monies made during that summer, and instead of Mr. Kline paying us, Mr. Jones, it is taken out of Mr. Jones' account and that much less paid to Mr. Kline as I understand it.

THE COURT:

Q What is that again?

A On this \$750.00, on this car deal that you talked about, that was some of the profits made.

MR. WEIR:

Q It is \$740.00?

A Yes.

Q This is your share?

A It is more than that.

Q It is more than your share?

A No. I received, I think, some more than that. I can't remember how much. I think that the rest would be paid to me by Mr. Kline.

Q Why would it have been done in this particular fashion?  
This seems to me to be a rather unusual fashion.

A I don't know except that Mr. Hatch told me we had some money coming, and I bought this car, and I was going to use this money to pay for this car, and it could have been that the money was still in Mr. Jones' account, at least I would presume, and Mr. Kline, not being around, he made the cheque out in this manner. And as he explained to me after I heard about this that this was, Mr. Kline was paid





that much less. That is as I understand it.

THE COURT: What is the date of that card?

MR. WEIR: October 21st, 1959.

THE COURT: What is the date of the journal entry above or below it?

MR. WEIR: May 2nd, 1960.

THE COURT: Closing it out?

MR. WEIR: Yes.

THE COURT: What is the number?

MR. WEIR: Journal No. 64. Voucher No. 41.

Q Now, Mr. Nilsson, you are suggesting to us this \$740.00 is a profit to which you were justly entitled to?

A Yes.

Q Involving whom?

A Involving feeding with Mr. Kline.

Q Why would it be debited to the Jones, H. A. feed account?

A I don't know.

Q Surely you must have known something about it. You realized that you were going to be receiving a 1953 DeSoto for \$750.00. Did Mr. Hatch arrange for the whole thing?

A No, I got the car and he told me that we had money coming, and that was what I was going to pay for the car with.

Q And you left it completely up to Mr. Hatch to make sure that this particular bill of \$740.00 would be paid by the right person?

A He gave me the cheque to give to the Four Corners Body Shop,



and I presumed it would be looked after the way that it should be looked after.

Q Now, you are certain that this is the exact nature of what happened in this particular instance?

A Yes.

Q Do you recall a previous discussion we had in this connection. and you are not relating it quite the same way now as you did then?

A I don't believe we ever talked about this \$740.00.

Q I recall asking you if you ever received a 1953 DeSoto and you said that you never had a 1953 DeSoto.

A I don't think that is right. Mr. Williams asked me that question and I told him I did, and I don't know why I would tell you anything different.

THE COURT:

Q You told Mr. Williams that you had a 1953 DeSoto?

A Yes.

Q And you explained to him what it was all about?

A No, I didn't because I didn't know, but I found out afterwards what the transaction was.

MR. WEIR:

Q Mr. Nilsson, this particular cheque involving this particular payment to the Four Corners Body Shop involving this \$740.00, this is that you have explained to us now, a profit in advance of some description on a deal with Mr. Kline?



A Yes, as I understand it, yes.

THE COURT:

Q If you don't understand things, Mr. Nilsson---

A I was told that by Mr. Hatch that we had this money coming.

Q Mr. Hatch told you that you had a deal with Mr. Kline?

A We had been feeding with Mr. Jones that year with Mr. Hatch and I and Mr. Kline.

Q In 1959?

A Yes. In the summer of 1959. And Mr. Hatch told me we had monies coming from this, therefore I bought this car and that was paid for in this manner.

MR. WEIR:

Q What was the total profit that you received in this particular transaction involving these steers or cattle?

A I can't recall. It was something over that, but very little.

THE COURT:

Q In what way were you paid?

A Above this?

Q Yes.

A As I recall the other monies I got were from Mr. Kline.

Q By cheque?

A I don't know. I can't tell you that. That is a long time ago.

Q Perhaps Mr. Kline will know.

MR. WEIR:

Q Now, what profit, if any, did you have in any previous deals



with Mr. Kline between 1954 and 1955 in connection with this cheque that we have referred to a few minutes ago of \$2,497.37, and this particular advance on profits that we are just discussing now of \$740.00?

A I can't remember offhand if there were, if there was anything between that time.

Q Did you keep records as to the amount of money that you received in the form of receipts?

A No, I didn't.

Q You didn't keep any records at all?

A No.

Q Were you ever queried by the Income Tax Department about this?

A I think if I look back in my income tax I could find the amount of money that I got. I wouldn't have it earmarked what it was.

Q Now, in looking at your previous income tax statements would you be able to find out for us the various sources of your income during those years?

A No, not the sources.

Q You just have one big total?

A Yes.

Q And you never itemize it?

A That is correct.

Q And this satisfied the Income Tax Department?

A Yes.





Q They never question the accuracy of the totals?

A No.

Q In your income?

A No.

Q Did you have any dealings--- I am not sure that you told us how many--- How many dealings between this period of time, between 1955 and 1959 did you say?

A I can't remember. I would have to do some research on that through Mr. Kline.

Q You would be able to do this for us then?

A I don't know, but I will try.

Q What about after October, 1959. Did you have any other dealings involving Mr. Kline?

A I can't answer that because I don't know.

THE COURT:

Q Did you have any dealings with any one else that might have resulted in cheques being charged to other people?

A No.

Q You are definite on that?

A Not that I can ever recall.

Q Your memory is good on it?

A My memory is never good.

Q Now, I think that I would remember if I bought things and had them charged up on other people's accounts.

A This is the only thing I can recall of this nature.

Q Well, think again and think hard.



A Not that I can recall.

MR. WEIR:

Q Now, this dealing that we are concerned with at the moment, this advance of profits of \$750.00 in this fashion, this also involved you say Mr. Hatch, as well, and Mr. Kline?

A Yes.

Q This is the same type of transaction, one-third share of the profit?

A Yes.

Q And you say that--- Whose idea was it that you say that the cheque would be paid for by the Association?

A Mr. Hatch said that that would be alright this way. Mr. Kline I don't think was around at the time, and he said that this would be alright.

Q Now, would you tell us, Mr. Nilsson, concerning your interest in what I believe is described as the Hat Holding Pens?

A Well, I have no monetary interest in them. I had an opportunity to buy into them, but I have no monetary interest in them.

Q The Hat Holding Pen is the name of the holding pens run by Mr. Woolley?

A It is a receiving station where cattle are weighed, and where he feeds cattle and winters cattle.

Q Now, would you tell us more about this opportunity that you say that you had to become a part of this particular



venture?

A Well, it became apparent that we, that there had to be a place where we could weigh cattle if we were going to move cattle from Medicine Hat. The only other place we had to weigh was at a sales yard, and they didn't like that, and so Mr. Woolley also needed a place to weigh cattle, so he decided that he was going to put up this place with the scales and pens, and a place to feed cattle and a place to winter cattle for himself, and he told us, that is myself and Mr. Hatch, that if we wanted to be partners in this that we could be partners by putting up one-third of the cost value, and that we could do that at any time.

Q Would you be sharing in this partnership venture before you put any monies into this venture?

A No.

Q So that you put no monies into this venture whatsoever?

A No.

Q Did any member of your family put any monies into this venture?

A No.

Q Now, to the best of your knowledge would Mr. Woolley be operating by himself?

A Yes.

Q And you are not aware of any silent or active partner that is operating the Hat Holding Pens with Mr. Woolley?





A No.

Q Now, I understand that you arranged to have a company incorporated?

A Yes.

Q And the name of the company being the Larridon Livestock Limited?

A Yes.

Q Now, I show you a document which is given under the hand of the Registrar of the Joint Stock Companies, Mr. James Warr, the Province of Alberta, which is a certified copy of the Memorandum of Association for the Larridon Livestock Limited. Now, on the back of this Memorandum there are signatures of two individuals. Would you tell us the signatures of these two individuals?

A This is my signature here.

Q What does it say?

A Donald L. Nilsson.

Q And under it?

A Livestock Co-operative Fieldman, Lethbridge, Alberta.

Q And on the right hand side?

A 40 shares.

Q Do you recognize the signature immediately above your own signature?

A I have never seen it signed that way, but it looks like Mr. Hatch's writing.

Q And it says "40 shares" beside his name as well?



A Yes.

Q And this was prepared by your lawyer and sent to the Companies Branch, is that correct?

A Yes.

THE COURT:

Q What is the date on that?

MR. WEIR: The date of the Memorandum is signed on October the 10th, 1962. On the letter from Messrs. Prowse, Prowse and Brandley inclosing this to the Registrar of Companies---

MR. MOSCOVICH: What strange bedfellows.

MR. WEIR: ---there is the receipt stamp by the cashier of the Companies Branch indicating November 2nd, 1962, that it was received.

Q Now, what was this company incorporated for?

A This company was incorporated---

MR. MOSCOVICH: Your Honour, the object of---

THE COURT: I know, but there are lots of objects. But what was it going to be used for?

MR. MOSCOVICH: That is not the question that he asked.

THE WITNESS: This company was going to be used, when we made a downpayment on a share on a ranch up in B.C. to transact business through.

MR. WEIR:

Q Are you referring to the Hin.Hat.Som. Ranch?



A That was not the name of it then.

Q Well, would you carry on one step further. Did you acquire an interest in the Hin.Hat.Som. Ranch?

A I never had anything in writing. I put up a part of a deposit onit.

Q And what was the amount of this deposit?

A \$3,000.00.

Q To whom did you pay this \$3,000.00?

A The \$3,000.00, I presume, was paid to a lady in, Mrs. Leighton, I was sure that money was paid to her. I don't know how much.

Q Didyou give this money to her?

A No.

Q To whom did you give this money?

A It was put in here and Mr. Hatch would be the one to give it to her.

Q What do you mean that the money was put in here?

A Into the company.

Q So that the money was put in to Larridon Livestock Limited?

A Yes.

Q Deposited to the account of Larridon Livestock Limited?

A Yes, to my knowledge it was.

Q Where was the bank of the Larridon Livestock Limited?

A I don't know if the bank was in Lethbridge or Pincher Creek or Cranbrook. I don't know. It must say in there.



Q I show you a document which is entitled "Notice of Directors", dated January the 7th, 1963, and it was registered, and the date on the top of it indicates "Notices hereby given that on the 6th day of November, 1962, the following persons were appointed directors of the Larridon Livestock Limited". Now, will you take this document in your hands and read the names of the directors on here?

A Stewart W. Hatch, Lethbridge, Manager. Donald L. Nilsson, Lethbridge, Manager. Judith P. Nilsson, Lethbridge, Married woman. Pearl Hatch, Lethbridge, Married woman.

Q Now, this Judith P. Nilsson, who is that?

A That is my wife.

Q Now, you were a director of Larridon Livestock Limited?

A Yes.

Q And you don't seem to be certain as to where the bank account was?

A As far as I know what happened to it---

Q Where was the bank account of Larridon Livestock Limited?

A It could be Lethbridge, Pincher Creek, or Cranbrook.

THE COURT:

Q Who signed the cheques?

A Mr. Hatch.

MR. WEIR:

Q He was the only person that could sign cheques?

A No. I think I signed a form that I could sign cheques





also.

Q You signed a form?

A Yes.

Q If you signed a form surely you must be able to recall on which bank it was legal.

A I don't recall that it said on the form.

Q And you don't recall the name of the bank nor the location, the town or city where the bank was located? In fact you are not even certain whether it was in Alberta or in British Columbia?

A That is correct.

THE COURT:

Q Are you sure there was a bank account at all?

A There must have been a bank there if we wrote cheques on the account.

Q You know when you open an account you have to give your signature?

A Yes.

Q Wouldn't you notice on that where the bank was? Lots of people sign things without looking, I know that, but I would think that---

A As I recall the form I signed was brought to me by Mr. Hatch and I signed it.

MR. WEIR:

Q Now, did you say that you signed some cheques yourself?

A No, I don't recall ever signing any cheques.



Q Now, this cheque that you mentioned, what was it again, \$3,000.00?

A Yes.

Q Now, this cheque for \$3,000.00, and it was a cheque or was it cash?

A No, it was a cheque.

Q It was a cheque?

A Yes. I borrowed the money from the bank.

Q What bank was this?

A From the Imperial Bank, I think.

Q In Lethbridge?

A Yes.

Q Now, to whom did you make this cheque in the amount of \$3,000.00 payable?

A I didn't write the cheque. I signed it. I think I signed three notes and as the account needed the money it was put into the account. Mr. Hatch was going to have it put in the account.

Q You signed a note with the Imperial Bank?

A Yes.

Q In the amount of \$3,000.00?

A Yes. I think I signed three \$1,000.00 notes, and Mr. Hatch took them up, he took them up and put them into the account.

Q The instructions were then to the banker to give the money to Mr. Hatch?

A Yes.



Q When would this have been? Could you tell us when this was that you signed this note?

A When this company was organized, it might have been before. We might have paid some money before that.

Q You say it was to be paid over in \$1,000.00 amounts?

A I signed three notes.

Q And over how long a period would it take Mr. Hatch to obtain this \$3,000.00, these three \$1,000.00 notes?

A Whenever it was needed.

Q Whenever it was needed?

A Yes.

Q Were you paying interest on this as soon as you signed these notes?

A Yes. That is what I understood, that the interest was being paid when the note was needed.

Q When the notes were needed?

A When the money was needed. For example, if they got \$1,000.00 out of the account I would be paying interest on \$1,000.00.

Q When it was advanced?

A Yes.

Q Now, would you be able to find out for us by checking with your bank when you made--- When you signed these notes?

A I could find out, I am sure.

THE COURT:





Q Did you ever pay any interest?

A Yes.

Q To the bank?

A Yes.

Q To the Imperial Bank?

A Yes.

Q When were the notes paid off?

A About a year or a year and a half later.

Q About a year later would be in October, 1963?

A That is close to the date.

Q Well, how close?

A Well, it seems like about the time.

Q Who did you pay it off to?

A To the bank.

Q What bank?

A The Imperial Bank.

Q In 1963?

A That is correct.

Q Are you sure of that?

A Well, I am sure I paid it off.

Q What bank did you pay it off to?

A To the Imperial Bank.

Q In October, 1963?

A It was just before the Imperial Bank closed, I know that.

MR. WEIR:

Q Now, this Certificate of Incorporation of Larridon Livestock



Limited dated November 2nd, 1962, and certified as a true copy. Do you recognize this as being the date?

A Yes.

Q This is the annual report registered on June the 6th, 1963, of Larridon Livestock Limited, this being a certified copy?

A Yes.

Q And again it lists, I believe, the same people, doesn't it, as being directors?

A Yes.

Q And it indicates the number of shares that were issued?

A Yes.

Q What is the apportion of shares?

A 40 to Mr. Hatch and I and 10 each to our wives.

THE COURT:

Q \$100.00 shares?

A I don't know what they are.

Q What are they?

MR. WEIR: It indicates \$100.00, Your Honour.  
Each?

MR. PROWSE: I would think \$1.00.

THE COURT: It will show on the return.

MR. WEIR: It says in No. 7 of the Memorandum that the authorized capital of the company is divided into \$20,000.00 divided into 200 common shares of the par value of \$100.00 each.



MR. PROWSE: I didn't incorporate it sir. I was just guessing.

MR. WEIR:

Q Now, did you pay to this company sufficient money to cover this? You have 40 shares, and they are presumably worth \$100.00 each.

A No, I didn't.

THE COURT:

Q Who signed that?

MR. WEIR: This is in the Memorandum.

THE COURT: Who signed the return showing that Mr. Nilsson had 40 shares and his wife 10 shares, and saying that he had paid \$5,000.00?

MR. WEIR: The return is signed "S.W. Hatch, Secretary".

THE COURT:

Q Did your wife put up \$2,000.00?

A No.

Q Mr. Hatch said she did.

A Well, I am sure she didn't.

MR. WEIR:

Q Now, on January the 7th, 1963, there is another document which was filed, and it indicates a different number of shares held by--- No, the same number of shares. Excuse me. In this particular document it indicates that the shares are worth par value of \$1.00.



Now, Mr. Nilsson, this particular document is also signed by Mr. Hatch. On this one it says Secretary-Treasurer.

MR. MOSCOVICH: He got promoted.

MR. WEIR:

Q Now, in this particular document--- It is difficult to see the date that it was registered on, but in any event it is the annual report for the year ending December 31st, 1963, and it is in connection with the Larridon Livestock Limited?

A Yes.

Q And it lists the same people as directors?

A Yes.

THE COURT: What is the date that that was filed?

MR. WEIR: It is difficult to read it, Your Honour.

THE COURT: Is there any date for the signature?

MR. WEIR:

Q It indicates the same number of shares to the same individuals?

A Yes.

Q And it, this one is signed "S.W. Hatch", and this time Secretary. There is no date mark when it was signed.

THE COURT: It must have been signed after July I would think on this, 1964, because it gives the address of the directors, the address of Donald L. Nilsson





1811 - 13th Avenue South, Lethbridge, Alberta, and the address of Stewart W. Hatch as 1306 Gayway, Riverside, California, so this must have been prepared after he had moved to, or after he got an address in California.

MR. WEIR: The only other two documents I have, this is January the 11th, 1963, a letter by Messrs. Prowse, Prowse and Brandley to the Registrar of Companies, and it is assuring them that the share allotment, that the shares were allotted on Tuesday, the 6th day of December, 1952. And another document which was registered on August the 14th, 1964.

THE WITNESS: Yes.

MR. WEIR:

Q Which is a notice of the registered office, it says that the registered office of Larridon Livestock Limited us 324 - 7th Street South, Lethbridge, Alberta. Do you recognize that signature on the bottom?

A No.

MR. MOSCOVICH: It is Mr. Offet's.

THE COURT: Are you putting all these documents in as an exhibit?

MR. WEIR: Yes, I am.

EXHIBIT F 17

Documents re Larridon Livestock Limited.

Q Where are the books of Larridon Livestock Limited? You say you have no knowledge as to where the bank account is.



Have you any knowledge as to where the books are?

A I imagine Mr. Hatch has them.

THE COURT:

Q And you say that the only entry in the books, as far as you know, is \$3,000.00 that you put in and that you presume went to Mrs. Leighton?

A Yes. Mr. Hatch was to put in the same amount.

Q And that is \$6,000.00 altogether?

A Yes.

Q And your money was borrowed from the bank and repaid?

A Yes.

MR. WEIR:

Q Now, am I correct in assuming that when you contributed this down payment of \$3,000.00 that you were to receive one-half of Mr. Hatch's interest in what we now know as the Hin.Hat.Som. Ranch?

A Yes, that was the idea when that was paid off.

Q What do you mean?

A When all the indebtedness that the third cost was paid off, I would have one-third.

THE COURT:

Q What was the cost?

A I don't know.

MR. WEIR:

Q So that you don't know how much that you were going to have to pay for this interest in what we now know as



the Hin.Hat.Som. Ranch?

A No.

MR. MOSCOVICH: I think Mr. Hinman will give full details of every step taken.

THE COURT: I don't think that he knows about this.

MR. MOSCOVICH: I think that he does.

MR. WEIR:

Q Now, are you suggesting that your understanding of this transaction was that when you and Mr. Hatch and your wives formed this company, and you contributed \$3,000.00, and Mr. Hatch contributed \$3,000.00, that at that point you were a one-half owner of any interest that Mr. Hatch, at least, had in what we know as the Hin.Hat.Som. Ranch?

A If we each had the same amount in, yes, but if he had more at any different time I wouldn't be.

Q Well, was it your understanding that you were buying a half interest in the venture?

A Yes, actually.

Q Did you subsequently make any further payments?

A No. In fact I subsequently withdrew from it and got my money out.

Q When did this happen?

A This happened before Mr. Hatch moved to California.

Q Before he moved to California?

A Yes.





THE COURT:

Q Can we get that date, roughly.

A Well, I can't tell you for sure. I can't remember the day that he moved to California.

Q Do you remember when you got the \$3,000.00 back?

A No, I can't. I didn't actually get \$3,000.00 back in cash.

Q What happened?

A I got it back in a transaction.

Q What sort of a transaction?

A Well, we were, Mr. Hatch and I were building a cabin in St. Mary's, and Mr. Hatch made arrangements for the money to go into this, and he took that as my share on that cabin.

Q Well now, wait a minute. You got \$3,000.00 back?

A No, I didn't get it back. We transferred it to there. He will have to pay off that extra \$3,000.00 of the cabin, which would be my share.

Q You own the cabin?

A No. I own--- I will have a part interest in the cabin.  
MR. WEIR:

Q Let us go back to this cabin from the start. Where is the cottage? When did you commence building it, and so on?

A It is at St. Mary's, and it was commenced building two years ago in the spring.

Q Where is it?



THE COURT: We all know, Mr. Weir, that it is south of Cardston, across the line, near Glacier Park. It is on the way to --

MR. MOSCOVICH: California.

THE COURT: It is just south of Cardston, across the line, and it is a very beautiful spot on a very beautiful lake.

MR. WEIR: Thank you.

Q Now, when was this date again?

A We started to build this cabin in the spring of 1963.

Q Did you complete it at that time?

A No.

Q You didn't complete it?

A No.

Q Why didn't you complete it?

A We just ran out of time.

Q In the spring you ran out of time?

A You can't build a cabin in a day. We worked all summer on it. We were doing most of the work ourselves.

Q Did you figure out the cost of the cabin?

A No, I don't think that we have ever come to what it has cost. The cabin isn't finished yet.

Q It is still not finished?

A No.

Q You have not any idea how much money that it cost you, or how much money that you spent for the cost of the



materials?

A The cost of the material, the amount of money I spent personally, I can't tell you, I would have to look it up. If we got some lumber I would pay it if it wasn't too much, and if it was we would pay it by cheque.

Q Would this be cheques personally or cheques from the Larridon Livestock Limited?

A I don't know.

Q You don't know?

A No, I don't know.

Q You put in cheques of your own?

A Small amounts.

Q Small amounts?

A Yes.

Q \$100.00 or \$10.00?

A I imagine I would have 5 or \$600.00 of my own money in it.

Q Five or \$600.00 of your own money?

A Yes.

Q And for 5 or \$600.00 of your own money you were getting \$3,000.00 in value from Mr. Hatch?

A No. The monies used to build this cabin was got from the loan that Mr. Hatch got, and it was in his name, I presume, and when we got all finished we would each have to take over our share of the cost of this cabin. Now, when we get this thing finished up Mr. Hatch will have to pay out \$3,000.00 of my share because of this transaction from



Larridon to this. Do you understand?

Q It is rather confusing. You understand it?

A Yes, I understand it.

Q And you understand how much it will cost?

A I understand \$3,000.00 of the cost of it, if it is my share, it will be paid by Mr. Hatch, and if the cabin doesn't cost that much he will owe me some money.

Q Have you a rough idea as to the value of this cottage now?

A I would say that it would cost in the neighborhood of \$4500.00 now.

Q In materials?

A Yes.

Q Was there any labor other than the labor that you and Mr. Hatch personally supplied?

A We had a man pour the piles to put the footings, and we had a man cut the rafters for us.

Q Now, were these local citizens from the area or from across the border?

A Some were across the border. Nobody from here can go down there and work and be paid for it.

Q So that they were all from across the line?

A Outside of some of our friends that went down and helped us. They went as friends.

Q Was there any possibility as far as you are aware that some of these materials or some of these labor costs would have been paid for <sup>by the</sup> Lethbridge Central Feeders





Association?

A I am sure that they wouldn't.

Q You are absolutely certain there is no possibility of any of these bills for labor or material that could possibly be debited to one of the members of the Lethbridge Central Feeders Association without his knowledge?

A I don't keep the books so I couldn't be absolutely certain, but to the best of my knowledge, no.

MR. MOSCOVICH: I don't think this is fair to hold a bill for an automobile and ask that question.

THE COURT: Is that an automobile?

MR. MOSCOVICH: Yes.

MR. WEIR:

Q Now, it cost you personally some money to incorporate this Larridon Livestock Limited I presume?

A It was incorporated out of the money we borrowed.

Q So that you both contributed \$3,000.00 to the company?

A Yes.

Q And out of that some monies went to Mrs., I believe you said Mrs. Leighton, and the rest for incorporation expenses?

A Yes.

Q And you received your, at least you are to receive your \$3,000.00 back?

A Yes.



Q But you have not as yet received the money back?

THE COURT: He may have got some of it back in an equity in the cabin.

MR. WEIR:

Q Is it your understanding that you still have some equity in the cabin?

A Yes, I have \$3,000.00 worth anyway, and when it is finished that would be 50% of it.

Q Have you received any profit whatsoever from Larridon Livestock Limited?

A No.

Q Have you received any profits whatsoever from the Hin.Hat.Som. Ranches?

A No.

Q Are there any other documents indicating any other profits, and I am again referring to this particular bill we have already discussed in the amount of \$740.00. Would there be any other debit to any other members accounts to your knowledge indicating advances or profit on any cattle dealings?

THE COURT:

Q For the purchase of goods?

A No, not to my knowledge.

Q Remembering we have been talking about a cabin which is close to a lake?

A Yes, that is correct.



MR. WEIR:

Q The other day when we were talking with, I believe it was Mr. Ray Nelson, we showed him a cheque in the amount of \$265.00 which was dated June 26th, 1959, and payable to Dogterom Equipment Limited. Have you any knowledge whatsoever about this cheque? Ray Nelson doesn't appear to have any knowledge about the cheque.

A That is a long time ago. I don't remember.

Q Can you recall receiving any goods from this organization that received that cheque for \$265.00?

A Yes, I bought a trailer from them.

Q How did you pay for it?

A I can't tell you.

Q You have no knowledge as to how you paid for it?

A No, not offhand.

Q I understand that that particular cheque is the cheque that paid for your boat trailer?

A That could be.

Q And this is charged to the Ray Nelson account. Now, can you tell us why would this have happened?

A I would have to look back. It might be the same deal as this Mr. Jones deal.

THE COURT:

Q You and Nelson were in partnership on a feeding arrangement?

Q Mr. Kline fed cattle with Mr. Nelson on a gain basis, and I have the cheque back on that. Either that cheque would be





for that or it should have been charged to my advance account.

Q Now, having seen the cheque, that cheque, can you now tell me are there any other cheques which have been charged to other people's accounts for goods and services that you obtained?

A No. not to my knowledge.

Q Alright. You didn't remember that one a few minutes ago.

A Well, it wouldn't be that I was lying to you. I didn't remember.

Q It seems to me that a boat trailer is an odd thing that people would remember an item like that. Maybe for groceries or gas it would be different.

MR. WEIR: I have no further questions at this time, Your Honour, but I wonder if you would like to set a specific date which might be preferable to you. Have you any time that you think now it would require you to check this items, and these other items that we have discussed today that are left unanswered Mr. Nilsson?

THE WITNESS: I would have to have some time. I would have to check these through with Mr. Hatch.

MR. WEIR:

Q We are not going to finance your trip down to California.

A Well, I don't think that I will finance it myself either, but I think a telephone might help out.

Q You will be ready to appear next week to assist us in this, will you?

A I will try my best.







A These cattle, when they came in to Medicine Hat for delivery I was there.

Q You were always there?

A Yes, very rarely was I not there.

Q In September to the end of November, 1963, there was \$350,000.00 worth of cattle moved from Medicine Hat in here, is that correct?

A Yes, about that. And it would be rare if I wouldn't be there when we were taking delivery of those cattle, because we would buy cattle and ship them on certain dates, and the cattle were weighed.

Q Were you there when they were bought?

A Yes, most of the time, and I was there when they were weighed. In fact I weighed them. The tickets were punched. Some of these cattle would come in the night before, stand in the corral overnight, and some stayed in the corral at the ranch overnight because of the distance that they had to travel, and if we brought them in the same day they were rounded up they wouldn't get in there until after dark, and in these cases the cattle had an overnight shrink and there was no shrink charged against them. In cases where the cattle came in on the same day they were purchased there was shrink charged against them. After the cattle were shipped we might weigh part of the cattle to one order because he wants heavy steers, and some of the same man's cattle on another order because he wanted light steers.





One rancher's cattle would not probably all go to one man. And after we got finished weighing these cattle I would sit down and write out the invoice on the cattle, who they went to, and the weights and the prices on them, and then I would leave a cheque there for Mr. Woolley, and he would pay the farmers or the ranchers for the cattle himself. And then I would bring the voucher home and---

Q What sort of a voucher?

A Just the voucher off the bottom of the cheque with all the, who the cattle went to and their weights and what they were paid for.

Q A Holding Pen voucher?

A No, Lethbridge Central Feeders cheque voucher.

Q The last two years there was a cheque from the Holding Pens?

A I think it was a Holding Pen cheque. Now, I would bring them back and I left the tickets in the drawer at the scale house.

Q Where, in Medicine Hat?

A Yes in Medicine Hat.

Q Why didn't you bring the tickets?

A I don't know.

Q What if somebody objected to the weight?

A Then I would have had to get tickets.

Q But you never brought the tickets back to Lethbridge?

A No not to my knowledge.

Q Well why the difference between the Medicine Hat system





and the Lethbridge system where the tickets are put on the---

A It would be my negligence, Your Honour, because the tickets were available, and they were there.

Q Now, this is an item "Cattle, \$9,616.00, Harold Woolley. Made 75 cattle". Now, there is---

A There should be a yellow slip attached to that with the weights and the disposition of the cattle. An invoice.

Q What else would you find there?

A This doesn't show where the cattle went to.

Q I know.

A There is an invoice slip covering this amount of these cattle.

Q Now, here is one bought from Howard Limsey of Milk River, 29 steers, and the weigh slip is attached. Pete Melhoff, the weigh slip is attached. And I have looked through these ones, which is the fall of 1963, and there are no weigh slips at all on the Woolley. Now, there is bought from Harold Woolley 30 steers and 34 heifers, and the net weight and the price and the amount, 64. Now, where is there anything on that to show where they are going?

A The name should be written on the side where they are going.

Q It isn't on that one?

A No, and that is not my writing. That must have been some---

Q Let us go to the next one. Another one, November 22nd, \$18,000.00. 109 steers. Nothing on the side as to where



they are going. Oh, they are here. Stu getting 30.  
Corey getting so many. That is that statement that  
you were referring to?

A Yes. One of these came up with every bunch of cattle.

Q There is one steer, Harold Woolley, with nothing on it.

A No.

Q Now, is that your handwriting?

A Yes, that is my handwriting.

Q And that is where you made out your statement of weight?

A Yes.

Q And you got these weights in Medicine Hat?

A Yes.

Q And nobody asked you for weights?

A No.

Q Fine.

{WITNESS STANDS DOWN}

{HEARING ADJOURNED AT 4:30 P.M. UNTIL 10 A.M. JANUARY 8th,  
1965}



PROCEEDINGS TAKEN JANUARY 8, 1965

MR. WEIR: I will call Mr. Woolley, sir.

HAROLD WOOLLEY, having first been  
duly sworn, examined by Mr. Weir, testified as follows:

Q Your name is Harold Woolley?

A Yes.

Q And your residence is Medicine Hat?

A Yes sir.

Q What is your occupation Mr. Woolley?

A Well, I have farms, and I have some ranches, and I have  
this place in town, and I used to buy cattle, and I still  
do, or I did when Central Feeders ran on the side for  
Don Nilsson or Stu Hatch. These fellows I knew, I was  
raised there, and I worked for 9 years for International  
in Medicine Hat.

THE COURT:

Q International Harvesters?

A Yes.

Q I.H.C.?

A Yes. For Cox Equipment. I got hurt in 1951 and I had  
to quit the farm.

MR. WEIR:

Q Now, will you tell us a little more about the Hat Holding  
Pens. This is the name of the pens that you hold in  
Medicine Hat, is that correct?

A Yes.





Q Now, Mr. Woolley, you started the Hat Holding Pens in July, 1962, is that correct?

A Yes, I think so. Do you mean when I first started making the deal, or to build them?

Q Tell us when you first made the deal?

A I started in the summer of 1961 trying to find land. The reason I had to do it, I had a bunch of cattle of my own and the renters were not looking after my cattle right, and I thought I had better do it myself. So one time when Nilsson was down, I said I was going to buy this and do it myself, and we were having trouble with the Medicine Hat Feed Company in weighing, and the boys seemed to want my cattle, and I had lots of contracts, and they wanted me to buy cattle and they knew I could, so that is what started the thing going. They said-"if you are going to build an outfit why don't you build a scale, we can use it and we can get away from paying this 35¢ a head on them." We could only ship maybe once a week and maybe sometimes only two hours in a day that they would let us use it.

Q But it was approximately July, 1962, when you purchased the land in question?

A Yes, about that.

Q This is the date of the title on the transfer, July 10th, 1962?

A I believe so. I don't know exactly the date. I could



look it up.

Q Here are some notes made over the telephone concerning the description and so on, which I believe is the property in question. Will you look at this here for a moment. Do you recognize this as being it?

A Yes.

Q And the assurance fund value?

A Yes.

Q Of \$1,700.00?

A Yes.

Q Was this the property in question?

A Yes.

THE COURT:

Q Is that what you paid for the land, \$1,700.00?

A Yes.

Q Will you mark that as an exhibit?

EXHIBIT NO. H-8  
Transfer of title.

MR. WEIR:

Q Now, prior to July 10th, 1962, am I correct in what I believe that you said, did you not say that you did have some dealings prior to the date of July 10th, 1962, before you officially bought this particular piece of land involving the operation that you later continued after you bought the land with the Lethbridge Central Feeders Association?



A What do you mean?

Q Well, let's take it from July 10th, 1962. You bought some land?

A Yes.

Q What did you do when you bought the land?

A I first started to fence it. I had to put a fence around it.

Q And then what?

A And then we started to put up some corrals to hold a few cattle.

Q To hold approximately how many?

A Oh, five or six hundred.

Q Were there any other steps involved in construction to make ready for your future operation?

A Well, I had to bring a granary down for my own feeding. I brought two of them in, and then I decided to put a scale in, so I had a, I saw a contractor and I asked him and I decided what we would do, and I got a price on it and decided it was all right.

Q Was there anything else involved?

A No.

Q Now, Mr. Woolley, did you pay for this land completely?

A Yes.

Q Was there any other person contributing towards the cost of this land?

A No.



Q Was there any other person or persons contributing to the cost of this equipment that you just described, the fences and the other equipment?

A No.

Q Am I correct in assuming that you paid for absolutely everything involved in the Hat Holding Pens, in this operation in Medicine Hat known as the Hat Holding Pens?

A Yes.

Q Now, prior to July the 10th, 1962, did you carry on operations at least reasonably similar to the operation that you carried on after July 10th, 1962? You mentioned some rented land that you had?

A I own this land. I didn't rent any land. I own quite a little bit of land up in the Cypress Hills, and I have a farm at home, and another half section further South, that I farm on shares. I rented it out.

Q You built these pens on this land located near Medicine Hat?

A Yes.

Q Now, what was the intention behind this plan of the Hat Holding Pens?

A To put my own cattle in to feed them in the winter time. I had one farm 35 miles from the ranch, and the renter used to feed my cows over the winter, and like young boys are they went out a lot and I was losing cows





and calves and I decided that I had to do something different, and the Holding Pens are two miles out of town and I could do it myself. That was my decision.

Q Was there any other purpose in mind in the building of this particular enterprise?

A The corrals?

Q Yes.

A I was buying cattle for the Association. Either Don or somebody would phone me and they seemed to like the cattle, and I enjoyed doing it, and I wanted something else to do.

Q So you would buy cattle from the farmers in the Medicine Hat area in your own name?

A Yes. When I got orders from Don Nilsson to do so. I would phone him and he would tell me to do so, and he would come out with me, and I had everything lined up before he came.

Q Let us say that you got a call from Lethbridge from the Lethbridge Central Feeders office, and you were advised over the telephone that they needed 100 head. Now, what would you do?

A Well, it worked that way, and it worked the other way. As soon as the fellows knew I could get rid of their cattle they phoned me. They kept phoning me and saying "can you handle my cattle?" and I would say "I don't know." So, I would phone the office here,



and they would tell me how many have you got, and I would tell him, and he said can you get enough. And if there are only a few they would tell me to go and buy them if they had an order. They said that they had to have them at this price, and if I couldn't buy them at that price there was no deal made. Most of the time I could get enough, especially in the fall, that it made it worthwhile for a representative to come down from here.

Q Let us go through it in both phases. The Lethbridge Central Feeders Association office phoned you and said that they needed 100 steers?

A Yes.

Q Now, at that point did they tell you the limit that they would pay?

A Yes.

Q And then what?

A Don Nilsson came down mostly, he said that he knew what a certain man wanted. He knew what they wanted. So that he would ask me what I had, and then he would come down, and then I would go out and buy, he and I. If he went out, we would go out together, and he would look them over and say it is all right. And then I would go ahead and make a contract, and we would have them brought in on a certain day.



Q So that you arranged to buy the cattle from the farmer or rancher in Medicine Hat?

A Yes.

Q And you would own the 100 steers in your own name?

A Yes.

Q And then you would resell them to the Lethbridge Central Feeders Association?

A Yes.

Q Now, who would prepare the bill of sale and the other documents involved?

A I did most of the time. We would give them a down payment, and I wrote out the down payment.

Q Now, this would be the transaction between you and the farmer?

A Yes.

Q This was your form contract?

A No, it was the Lethbridge Central Feeders form. We used them. They wouldn't do it unless I did it. If I didn't put my name on it they wouldn't do it. They definitely wanted me to do it.

Q Then you would resell, let us say these 100 steers that you just purchased, to the Lethbridge Central Feeders Association?

A Yes. Don Nilsson knew what he was paying for with me. He was sitting in the car.

Q What were you going to receive?





A I charged them 1/4 of a cent.

THE COURT:

Q How much?

A 1/4 of a cent.

Q A pound?

A Yes.

Q That would be 25¢ a hundred?

A Yes.

Q And on all transactions?

A Yes.

Q Calves, yearlings, steers, and cows?

A Yes.

Q It didn't matter?

A No. It was weight. Whatever the animal weighed.

MR. WEIR:

Q Was there any consideration whatsoever, any other consideration?

A Sometimes these people would have been in a hurry, they would phone in in a hurry and want me to buy cattle, and I was my own buyer and I could do what I like, and I used to purchase them myself. And then I would have them maybe not come in for a couple of weeks, and by that time I would have an order from them or from somebody else that would take them.

Q So at least in some cases when this type of situation would occur you would make more money than the money



you are just suggesting?

A Yes. And if my price was good enough for the Lethbridge Central Feeders price, they took them.

THE COURT:

Q In those cases you were dealing at arms length?

A Yes.

Q They could buy or they could not?

A Yes. They didn't have to take them if they didn't want to.

MR. WEIR:

Q What would be the percentage of the type of dealings that you would arrange in this way where you would actually buy completely in your own name and not have this previous arrangement we have just been discussing?

A I most generally sold them for about the same, but I would have some expenses to add on, like the trucking or feeding.

Q You wouldn't add those to your bill?

A No.

Q You would take those into consideration when you would be arriving at a price?

A Yes. I took care of that.

Q Would you ever have arranged a transaction in this fashion where you would buying them completely, and knowing that you would be able to sell "X" number, let us say 50 of the 100 to Lethbridge Central Feeders Association?



A No, not necessarily, Not necessarily.

Q Not necessarily?

A No.

Q But on some occasions would you know?

A Sometimes if they are good enough, but not very often. Mostly when I had them that way I didn't know what I was going to do with them, when I first got them.

Q Generally you didn't know?

A No.

Q Was this enterprise known as Hat Holding Pens reasonably profitable?

A Yes, there has been. It has been for me. I haven't made much, but it has taken care of itself for the reason I use it. Last spring I had 175 yearlings in there for six weeks before I could get them out. Some of them was two or three months.

Q Have you kept accurate records of your expenses and income in connection with your Hat Holding Pens?

A No, not close, because I wasn't concerned. I didn't go into it anyway.

Q Wouldn't you have to keep some fairly record to satisfy the income tax department?

A Yes.

Q And you kept those records?

A Yes.

Q Approximately how much money did you make on the Hat



Holding Pens in 1962 and in 1963?

A I would have to go back and look it up. I wouldn't know.  
I had 3 incomes. I had one from the ranch, and from  
two different renters on my farms, and then this.

Q You would have them broken down?

A No.

Q You would have the records somewhere indicating the  
break-down?

A Yes. Jim Miller Accounting does my work in town, and  
I take everything to them.

Q Haven't you a rough idea of how much money that you  
have made?

A What I have taken in?

Q How much of a net profit that you have earned,  
approximately, in the Hat Holding Pens?

A You mean from my ---buying cattle for the outfit, or  
the Pens alone.

MR. MOSCOVICH: I believe, Your Honour, that it  
should only be confined to the Lethbridge Central Feeders  
because he had a private business of his own, and if  
it is going to be of any value to you, it should be  
only the profit that he made dealing with Lethbridge  
Central Feeders.

THE COURT: Yes, and I think that is what  
Mr. Weir is trying to find out.

MR. WEIR:





Q Well, to accommodate my friend Mr. Moscovich, would you tell us the profit that you made from your Hat Holding Pens through the Lethbridge Central Feeders Association, the connection? How much money did you make, profit?

A The only way I could do it is to go back and see how many cattle I shipped, and I could tell by that, and that is all. Because we just charged them like anybody else just for the weight, that is all.

Q Would it average out to 20¢ a pound on the selling price? Would the average be about 20¢?

A Yes, it could be.

Q Around that?

A Yes.

Q So that \$325,000.00 would be 5 times that in pounds?

A No, it wouldn't be 20¢ a pound. That would be too much.

Q 20¢ a pound for per pound weight, would that be the selling price from you to the pens? About 20¢ a pound average. Steers cost a little more, and heifers cost a little less, and calves cost a little less?

A What do you mean?

Q When you sell a cow or steer what would it sell at, at about 20¢ a pound, wouldn't it?

A Yes, about that.

Q Is that an average price?

A Yes.

Q So if you sold \$325,000.00 worth in four months to the



Lethbridge Central Feeders Association it is very easy to figure out your gross income?

A Yes.

Q It would be 1,625,000 pounds of animals, and 1/4¢ per pound. I wouldn't want to try to figure that out without getting the figures, but you could figure out roughly your gross income?

A I know how much money I made. I know how much money I took in to a certain extent, on what I sold to them that is, but I sold in other places and it is all mixed up. They are not connected, and I was just concerned about my own return.

Q Could I ask you this, Mr. Woolley, would this be reasonable, that between September the 6th and November the 25th, 1963, that your gross income in sales to the Lethbridge Central Feeders Association would approximate about \$4,000.00?

A It wouldn't be too far off.

Q Not far off?

A No.

Q I have here that you sold to the Lethbridge Central Feeders Association between the 6th of September and the 25th of November \$325,357.03 worth of cattle?

A Yes.

Q Now, if they averaged out at 20¢ a pound that would



be 1,625,000 pounds, and dividing that by 1/4¢ and you get \$4,060.00?

A Yes.

Q Is that about right?

A Yes.

MR. WEIR:

Q Now, this approximate figure of about \$4,000.00, would this be including both types of transactions, the ones where you had the specific orders from the Lethbridge Central Feeders Association, and the other transactions where you would buy in your own name and then sell to the Lethbridge Central Feeders Association?

A No.

Q This only includes the items where you had specific orders?

A Yes.

Q Your Honour, are you interested in this other area?

THE COURT: Yes.

MR. WEIR: Well, I am certainly interested too.

Q Now, would you give us an estimate of the profit that you would make from this other area?

A I wouldn't know exactly. I would have to look that up. I didn't keep it exactly.

Q But you would be able to get this information for us?

A Yes.





THE COURT:

Q Would you disclose that profit to the Lethbridge Central Feeders Association?

A What do you mean?

Q For example, Lethbridge Central Feeders Association would phone you up and say --"I want 100 steers." You would buy them and then you would charge them 1/4 of a cent. But if you bought 100 steers from Mr. Smith, the farmer, and you kept them for a few days, and then you sold them to the feeders and you make a profit that is in addition to the 1/4 of a cent, would you disclose that or is that none of their business?

A If I could meet the price that they had, if I bought them a cent or a cent and a half less, using the figures of 20¢, and if they said, if I said "I have to have 20¢," and they would pay the 20¢, and if I am too high they can either take it or turn me down.

Q The point that worries us is when do you consider yourself an agent? If you are an agent you have to disclose everything to your principle, to the Lethbridge Central Feeders Association. One day you are in that position and the next day you are an independent dealer and you are dealing at arms length, and it is catch as catch can. Now, how did you in your



mind keep that separate day by day?

A I knew when a load came in and what I bought. I knew what I paid for them, that is all. I wasn't connected with Lethbridge Central Feeders Association.

Q No, but I take part of the time you were their agent really?

Only on commission.

Q Well, that is correct.

A I wasn't paid any wages or under their pay cheque or nothing.

Q You were acting for them in going out and getting the cattle when you were charging 1/4¢?

Q Yes.

Q And at other times you were dealing at arms length with them, and if you could make a profit you made it?

A Yes. There was other men, other buyers used to phone me and ask me if I could get them cattle because they knew that I was raised in that country and travelled that country and they would phone me and ask me if I could get them cattle.

MR. WEIR:

Q I didn't hear you specifically answer the question. If you felt yourself, let us say that on a specific transaction where you bought some cattle from me, let us say, and you are selling to the Feeders



Association, let us assume that on a certain transaction that you felt that you were making \$300.00. Let us assume that this is a figure that goes through your mind. Now, would you specifically tell the Lethbridge Central Feeders Association, that is Don Nilsson, or Mr. Hatch, or someone else, connected with the Lethbridge Central Feeders Association on this transaction that you are making \$300.00?

A I don't remember whether I did or not. What they were more interested in was the price I could deliver them. Using 20¢ for a figure, I would say I have to have 20¢, you can have them at 20¢ in my corral, and he would say yes or no.

Q So that you never discussed this business of profits that you made?

A No.

Q Would you ever share your profit with anyone connected with the Lethbridge Central Feeders Association?

A No, I didn't figure I got enough.

Q Now, what about the weighslips Mr. Woolley?

THE COURT: Let us find out how they are weighed.

MR. WEIR:

Who would weigh them?

THE COURT:



Q When was the scale put in?

A That same year, in 1962.

MR. WEIR:

Q July the 10th, 1962, was the date of the land transfer?

A Yes. And they were put in that fall. We used them in November sometime firstly.

Q Whose scales were they?

A They were brand new.

Q Who bought them?

A I did.

THE COURT:

Q What did they cost?

A \$1,350.00.

Q \$1,350.00?

A Yes.

Mr. WEIR:

Q Now, you have scales in the Hat Holding Pens?

A Yes.

Q And who would weigh the cattle going to the Lethbrige Central Feeders Association?

A Well, most of the time Don did.

Q Don would weigh them?

A Yes. If we had any more than a load or so he would come down. I didn't know where he wanted these cattle. All that I could tell him was the weight





and what they were.

Q So Don Nilsson usually did the weighing?

A Yes.

THE COURT:

Q Were they automatic? Did they pop out a slip?

A It was manual. It was a manual pull down. It wasn't automatic. You had to weigh it and put the slip in and then it would punch the weight.

Q And the printed form would come out?

A Yes. Just a ticket that you had about this size, about this long and then you just stuck it in.

Q Something like that?

A No. Mine was pasteboard on the back, and then a carbon, and then paper, and then another carbon. It is about  $2\frac{1}{2}$  inches long and about an inch wide and you just put it in and push on it.

MR. WEIR:

Q Were there any occasions when you would have done the weighing yourself?

A Yes, but not very often.

Q I presume then that you would do all of the weighing when Don Nilsson or someone from the Feeders Association was not there?

A Yes.

Q I am correct in assuming then that if no one from the Lethbridge Central Feeders Association was



present at the Hat Holding Pens for feeder cattle that you would do the weighing yourself?

Yes, with the farmer standing beside you, and they watch you closely.

Now, what about the weigh slips? What would you do with the weigh slips after you personally arranged for the weighing?

You take one off, and what I did was to make an invoice for the farmer, the weight, and then give him this ticket so that he could go home and see if there were any mistakes. And the other one I kept there, and if Don came in that day he went ahead and invoiced it out. I gave it to him for the weights.

You say you had copies made?

No. When you make them, the bottom is pasteboard, and then a carbon, and the next is a ticket, and then a carbon, and when you put that in that stamps the two. That is one that goes to the shipper and the other one was for Don to look at.

And what did you do with them after Don looked at them?

Well, he just left them in the drawer there. They were always there.

Did you attach them to your copy of the bill of sale involving the cattle, the 100 steers that I am selling to you, would you attach this pasteboard



copy to your file copy on our transaction?

A No, not necessarily.

Q Not necessarily?

A No.

Q Would you ever do it?

A Once in a while, but very seldom.

THE COURT:

Q You see, Mr. Woolley, we can find no weigh slips whatever of any of your dealings, but we can find lots of weigh slips of the dealings in Lethbridge. They are all attached to these invoices. There are no weigh slips in your dealings?

A I turned them over to Don. He was there most of the time I gave them to him, and I figured we were through with them, so why should I worry about them after that?

MR. WEIR:

Q Now, what would Don do again? You said that he would just throw it in a drawer loose?

A They laid on the desk. I don't know what he did. After I got through with him I went out in the corral and he would make up the invoices and whatever he wanted to turn into the office up here. What he did after wasn't up to me.

THE COURT:

Q What happened to them?





A I can't say. I know every once in a while, every couple of months I would clean out the drawers, there were my papers and stuff there, and I would burn them, whatever was left there, and I thought that he was through with them. About twice a year I did it.

A Are there any there now?

A No. I had a man there last fall and I told him to clean up everything, and when I came back everything was cleaned up.

MR. WEIR:

A After you purchased the land and you arranged for this business unit called the Hat Holding Pens, did you take in any partners subsequently?

A No, not yet.

Q You haven't as yet taken in any partner whatsoever?

A No.

Q Active partners or silent partners?

A No.

THE COURT:

Q What do you mean 'as yet'?

A I haven't done anything up to today I haven't taken anybody in and I haven't got any idea yet anyway for a while.

MR. WEIR:

Q What discussions did you have with Don Nilsson and



Stewart Hatch regarding partnership in the Hat Holding Pens?

A Well, when we were in trouble at the Medicine Hat Feeding Company, and I was deciding to do something about this, they said "if things keep going, and if it works out all right would you let us come in and each take one third?" I said "Yes, after I am through, but I don't know how long it will be because I want to put up a feeding place for myself."

Q Was this prior to the time that you bought the land? Prior to July 10th, 1962?

A No.

Q These discussions that you had were all after July 10th, 1962?

A Yes, after things started to come pretty good. I did a lot of work scrounging around. I didn't buy all new stuff, and we would price it after.

Q I'm talking about your initial discussions, they were all after July the 10th, 1962?

A Yes.

Q Were they later in the fall of 1962?

A Yes, after I got some of the corrals up, because I started to think about scales then.

Q This is after you erected some of the corrals, but before you bought the scales?

A Yes.



When did you buy the scales, in the fall of 1962?

They were put in in the fall. They were working in November, 1962.

So sometime between July the 10th, 1962, and November, 1962, that the discussion possibly with Mr. Hatch and Mr. Nilsson joining you in a partnership basis?

Yes.

What discussion did you have?

There was not much said. We didn't know where we were at, and I was doing it all.

Q Were there any figures at all discussed?

A No.

Q No figures discussed?

A Only the cost price, whatever I figured it would cost me they would each take one-third.

So that you would receive two-thirds of the cost that you spent?

Yes.

Would you receive anything for good-will, for your efforts or labour?

No.

Didn't you think that you should request something for all of your own personal efforts?

They said like when my own granary comes in that was going to be settled then. They were not concerned with what I was going to do outside of the corrals.



Q Why did you want to have any partners in the first place? Didn't you say something about needing some money?

A No.

Q I'm sorry. Why did you want any partners?

A Well, you know Lethbridge Central Feeders was a big outfit and I figured if they took some of the headaches off me I wouldn't have to worry. I enjoy these farmers phoning me, and they would come to the house and visit me, and I would get on the phone and see if I could make a deal. That is all it was.

Q Did you obtain any loans from Don Nilsson or Stewart Hatch or anyone connected with them?

A No.

Q Did either Don Nilsson or Stu Hatch or a relative or a close friend of theirs guarantee a note of yours at the bank or some other financial institution?

A No.

Q I have no further questions.

MR. MOSCOVICH: No questions.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Mr. Woolley, do you know an Emery Allsop?

A What is that?

Q Allsop?

A No.

Q Did you do any cattle feeding for Lethbridge Central





Feeders Association?

A No.

Q You never did?

A No.

Q Did you do any feeding for Mr. Hatch personally or Mr. Nilsson personally?

A No sir.

Q And you did not do any commercial feeding at all?

A No. Pardon me. Last fall I fed 30 head of cattle of my own. That is not commercial.

Q No. that is not commercial.

A No.

Q The greater proportion of your business would be with Lethbridge Central Feeders?

A No. nowhere near.

Q In 1963 in the business done through the Holding Pens at Medicine Hat we have heard that you sold---

THE COURT: September to November, 1963.

MR. PROWSE: Yes.

Q You sold \$325,000.00 worth of cattle to the Lethbridge Central Feeders Association. What were your total sales that fall?

A I don't know now. I didn't know it was that much.

Q I just took. everytime my commission I invoiced it in an invoice, and everything was turned over to them.



THE COURT:

If this is only a small part of it, and you got \$4,000.00 out of this small part, this must be pretty profitable?

It isn't that much more than that a year.

You just said a small part?

What do you mean by small part?

MR. PROWSE:

What proportion of the total business done at the Holding Pens was done with Lethbridge Central Feeders, or was done in 1963?

Most of it, I'm sorry.

THE COURT:

Mr. Woolley, did you receive anything from Lethbridge Central Feeders Association towards the building of these pens?

No.

I understand there was a cattle chute sent down from here. Did you pay for that?

Yes, that is correct. That is one thing has never been straightened up. They said that they wanted cattle branded, and I said I haven't got a chute, and I don't want to do it now. And Don said if you, if the members have to have them branded we have got to have a chute here.

What happened?



A They first sent one chute down and the neighbour came and he bought the first chute.

Q What happened to the money?

A I sent the chequeback.

Q You sent a cheque to Lethbridge Central Feeders?

A Yes. It should be in their books. And they sent me another one a couple of days later, and I put it there, and that is all I know.

Q You haven't paid for it?

A No.

Q And they haven't sent you a bill?

A No. It is still sitting there. But we did brand a lot of cattle for the association, and nothing has every been done.

Q They would have to be branded, wouldn't they?

A Yes.

Q Whether they were branded at your place or Lethbridge or on the farm?

A Yes. Don said that they wanted these branded and he said we can do it here easier, and that is how the chute got there.

Q What does a cattle chute cost?

A This one cost \$396.00.

Q \$396.00?

A Yes. \$394.00 or \$396.00.

Q I am sure that the Canadian Bank of Commerce will be





interested.

A That is all I would buy. There was a tag on them both.

MR. MOSCOVICH: We will give them back the chute.

THE COURT:

Q When did you start to buy for Lethbridge Central Feeders Association? I only looked back to 1959, but was it a considerable time before that?

A I was trying to figure up. I think it was six or seven years.

Q That was about 1956 or 1957?

A Yes, somewhere in there. I can't tell you exactly.

Q I just noticed one deal on the 4th of November, 1963, involving 501 cattle for \$51,000.00. How did you come about accumulating that?

A You mean getting the cattle together?

Q Would Mr. Nilsson phone down and say--"we want 500 head of cattle."

A I have these contacts that come to me all the time, they want to sell them in the fall, and they didn't like to put them through the sale, so they phone me and I would get hold of these people and make arrangements. I would phone Don, and I would say that you know the cattle, you know your orders, and he and I would go out and we would okay everything and give a deposit.

Q You would be looking for 500 head?



A Not necessarily.

Q On this particular deal of November the 4th when you did buy, or they bought from you 501 head at roughly \$100.00 a head, they would be looking for 500 head at that time?

A Maybe the day that he was out were would only have an order for 300, and we would look at some and we wouldn't buy them all, and he would come back and phone his customers, or else he would come home and come back and see these fellows and phone back to me the next day and say you can go ahead and get these at the price we agreed on.

Q Do you know whether the feeders ever bought on spec without having orders?

A I don't know. They might have. I don't know.

Q That is all. Thank you very much.

MR. WEIR;                      Your Honour, do you wish me to obtain these exact figures, his net profit?

THE COURT:                      No, I don't think so.

MR. PROWSE:

Q Do you know what the chute sold for, the first cattle chute that you sent down to Medicine Hat?

A \$396.00.

Q And that is what you sold it for?

A Yes.



Q Was it your cheque that came up or the cheque of the neighbour?

A No, it was my cheque because these ranchers won't, they have confidence in one person, and that is how I got going down there. They won't even sell these cattle to anybody else because they dealt with me for 10 years and they knew me, and that one chute, he made me the cheque and I turned around and sent it here.

(WITNESS STANDS DOWN)

OWEN KING, having first been duly sworn, examined by Mr. Weir, testified as follows:

THE COURT: Mr. King, we have \$6,600.00 of your money around here for a couple of weeks, and I'm wondering whether we can pin it down this morning.

MR. WEIR:

Q Your name is Owen King?

A Yes.

Q And your residence?

A Raymond.

Q What is your occupation Mr. King?

A Farming and feeding cattle.

Q Are you a member of the Lethbridge Central Feeders Association?

A Yes, and I have been for a long time.

Q Now, as his Honour, Judge Turcotte has just mentioned, we are quite interested in one specific item. I don't



know the specific date of it, but I think that you know the item which I am referring to. I believe that you left \$6,600.00 in the association, is that correct?

A Yes, that is my understanding that that was in my account.

Q What was---you put this \$6,600.00 into the Association?

A Yes. It was through cattle sales and through the Association.

Q Now, as I further understand you did not receive the full \$6,600.00 back in cash?

A No.

Q You received \$6,000.00 back in cash?

A Yes.

Q And I understand that the difference was some personal arrangement that was arranged by Mr. Hatch?

A Yes.

Q It involved a lease?

A Yes, and some pasture on some cattle, which he paid.

Q Now, where is this lease?

A West of Calgary.

Q The legal description?

A It was Mrs. McAllister's, I think the name is, and the place, I have no receipt from Mr. Hatch.

Q And this land was owned by Mrs. McAllister?

A Yes, if I am correct on that. West of Calgary.





West of Okotoks up in the foothills somewhere.

Q Do you know her first name?

A No, I don't know because Mr. Hatch did the business with her?

Q And you don't know the legal description of the land?

A No, only it is in the foothills.

Q And you used this land as pasture?

A Yes, I had cattle on this pasture.

Q And are you satisfied that the difference between the money that you received in the form of this pasture was sufficient in the---was it actually \$600.00 in value as far as you were concerned? Was this the arrangement?

A Yes, according to the pasture bill.

Q So that you received the bill?

A Not from her, but it was paid, and I haven't heard from Mrs. McAllister so it must be paid. I have no receipt or Mr. Hatch paying it yet.

Q But the understanding with Mr. Hatch at the time was that this was going to account for the difference?

A Yes.

Q And the figure of \$600.00 was mentioned?

A Yes.

Q That is all I have.

MR. MOSCOVICH: No questions.

THE COURT:







THE COURT: 19---

MR. WILLIAMS: I think July 1959.

THE COURT: July, 1959.

Q Mr. King, on the 22nd of July, 1959, there is a debit in your account of \$6,600.00, and in the details there are, there is marked the name "Jones". Now, did you know that you were lending this money to Mr. Jones?

A I know nothing of Jones whatsoever.

Q You never heard of him?

A I don't know the man.

Q Did you ever see your ledger card?

A Yes, several times. Anything in doubt I have gone to the ledger card, Mr. Peterson has told me or Mr. Hatch, and Mr. Hatch has said several times, he said--"I wish a lot of these cards were in the shape this card is in".

Q That is fine, did you ever look at these?

A No, not in my personally, only what they told me.

Q So that you have not looked at these cards?

A Only what I have asked for and what they told me.

Q You never got a copy of your card?

A No.

Q What was to happen to this \$6,600.00?

A What happened to it?

Q What was to happen in your view? What did you think





was going to happen to it?

A : was more or less buying and selling cattle, and I thought it was used on my account, that was the way---  
So that you didn't know it was ever taken out of your account?

No, I didn't.

Now, Mr. King, on the 2nd day of July, 1959, you held a credit in your account of \$1,639.44. You had that money coming to you?

Yes.

And on the 6th you drew out \$3,000.00, which made you, under which you owed the Association \$1,360.56. And then on the 22nd of July, \$6,600.00 is charged up to your account again. And on that date you owed \$7,960.56. You mean to say that you knew nothing about that?

A I borrowed money through the Association, yes.

Q You didn't borrow it. This was the amount of money transferred to Mr. Jones' account?

A No, I didn't know that.

Q You don't know a thing about that?

A No, I don't.

Q When you made a sale, and let us look at the next card, during 1959, 1960, and 1961, they were not charging interest in your ledger account?

u You say that they were not?







on \$6,600.00?

A Yes, that is the way that it looks.

Q There is no doubt about it?

A Yes.

Q Most of the time you owed more than the \$6,600.00?

A Oh, yes, like I said I was owing Lethbridge Central Feeders most of the time buying, because I have always had cattle through Lethbridge Central Feeders. All the cattle I have ever bought and sold is through Lethbridge Central Feeders.

Q So for the last, July 6th, whatever date it is, 1959--- in any event for 5 years you have been paying between \$350.00 and \$400.00 a year in interest?

A I found that out when I got my statement this spring. I found that out.

Q And you mean for 5 years---

A Yes. I thought that that was being applied to my account. I honestly did. I honestly did think it was being applied to my account.

Q Do you make up your own books?

A Lethbridge Central Feeders books, I go by those.

Q What did you get from them? What did you get in the way of figures from them?

A In the fall of the year when I filed my income tax I go to Mr. Hatch and he gave them to me, what money



I have taken out, and that is the way I file my income tax.

Q Did he tell you that you took out \$6,600.00?

A No. I don't think so. Now, wait a minute. I can't say that.

Q If you did you would know?

A I can't answer that correctly.

Q I think that you should be able to answer it correctly because if he had said that in July, 1959, that you took out \$6600.00---

A Yes.

Q ---Surely to goodness you would have questioned him as \$6,600.00 is a rather large sum of money?

A I was borrowing money from them all the time, and in cattle sales, what I meant to say,---

Q Do you know that Mr. Hatch transferred this amount of \$6,600.00 from Mr. Jones to his own account?

A No, I didn't know that.

Q And that he used this money for how many years, a year or two?

A No. I didn't know that.

Q All right. That is all thank you.

(WITNESS STANDS DOWN)

RONALD H. WATSON, having first been duly sworn, examined by Mr. Weir, testified as follows:





Q What is your name please?

A Ronald H. Watson.

Q What is your occupation Mr. Watson?

A Trucking Contractor.

Q I understand that you as well do corral cleaning?

A Yes, that is part of my business.

Q Did you ever do corral cleaning for some members of the Lethbridge Central Feeders Association?

A I imagine I have done a lot of it.

Q Did you ever receive any cheques from the Lethbridge Central Feeders Association in payment of any of this work that you did for the members' corral cleaning?

A Not directly from the Lethbridge Central Feeders Association, no.

Q How did you receive your payment from the members of the Lethbridge Central Feeders Association for this work? Was it always in cash?

A Always their personal cheques.

Q It was always their personal cheques?

A I have checked back and as far as I can find it was always their personal cheques.

Q Did you always receive payments by cheque for this corral cleaning work?

A No, not necessarily. Sometimes I would buy a steer and put in my locker.







but whether they are Central Feeders Members or not, I cannot tell you.

Q I show you a document, Exhibit A-9, and at page 7 of that document will you look down very carefully all the names mentioned on this page, and tell us if you recognize any names that you would receive payments for your corral cleaning work from in that fashion?

A I have from John.

Q Who?

A John Thiessen. That is the only one on that page.

Q From looking at page 11 of this same exhibit would you look very carefully at each name and see if you recognize any further names?

A I don't see any.

THE COURT:

Q You must have done business with all the good people who paid out?

A I tried to collect my bills, Your Honour.

MR. WEIR:

Q Now, look at page 12. Just take your time now.

A Several years ago I got one from Ralph Meldrum.

Q Look at page 13. No more on this page?

A No, except John Thiessen again.

Q So those are the only two names that you can think

if

A Yes





MR. MOSCOVICH: Out of how many?

MR. WEIR: I haven't counted them. Would you like to count them?

MR. MOSCOVICH: 100.

THE COURT: No, no, no.

MR. WEIR: He has gone through pages 10, 11, 12, and 13, and small number on 14, and at least without his glasses he was able to identify two on those pages.

THE COURT: That is fine.

MR. WEIR:

Q And these paid for corral cleaning services with a steer or a carcass?

A Oh, partly.

Q But at least part payment?

A Yes. I felt I was quite generous with them. I paid them 10 over market price and allowed them 3% shrink and paid the trucking and the killing.

THE COURT:

Q As far as you knew there were no cheques direct from Lethbridge Central Feeders?

A No, I have never received a cheque direct from Lethbridge Central Feeders.

Q That is all.

(WITNESS STANDS DOWN)

MR. WEIR: There is only one other thing.







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